

SPECIAL COMMITTEE REPORT**Spec. Com. Rep. No. 1**

Your Special Committee comprised of the Senate Committee on Judiciary and Hawaiian Affairs and two members of Senate Leadership, to which was referred S.R. No. 147 entitled:

"SENATE RESOLUTION REQUESTING THE SENATE COMMITTEE ON JUDICIARY AND HAWAIIAN AFFAIRS AND TWO MEMBERS OF SENATE LEADERSHIP TO CONDUCT AN INTERIM STUDY OF THE SENATE RULES REGARDING DECISION-MAKING BY STANDING COMMITTEES AND CONFERENCE PROCEDURES REGARDING DECISION-MAKING BY CONFERENCE COMMITTEES,"

leave to report as follows:

The two leadership members are Senator Donna Mercado Kim, Vice President of the Senate, and Senator Shan S. Tsutsui, Majority Caucus Leader.

The purpose of this measure is to ensure that Senate decision-making procedures by standing committees and conference committee procedures related to decision-making by conference committees meet constitutional muster and are open and fair.

Your Committee received testimony from the State Attorney General, Hawaii Clean Elections Coalition, Green Party of Hawaii, Hawaii Women's Political Caucus, The League of Women Voters of Hawaii, Advocates for Consumer Rights, and six individuals.

Hearings on this measure were held on October 20, 2003, November 24, 2003, and December 15, 2003. The final report was disseminated to the Senate and the public on December 22, 2003.

The hearings received some public comments that were outside the scope of the subject matter of this measure, but were nonetheless heard by your Committee in the interest of openness and accessibility and are addressed in this report.

Public Input and Response

Your Committee emphasized the process of obtaining public opinion to the fullest possible extent with the timely notices and complete opportunity for everyone to be heard at the hearings.

Your Committee held a duly noticed hearing on November 24, 2003 at 2:30 p.m. to receive comments on a draft report distributed on November 10, 2003. The Attorney General was present but did not have any comments or testimony on the report. Your Committee received testimony from Brenda Erickson of the National Conference of State Legislatures (through Senator Les Ihara), Arvid T. Youngquist, Hawaii Clean Elections Coalition, Paulette A. Tam, The League of Women Voters of Hawaii, Green Party of Hawaii, Rev. Sam Cox, Judy A. Rantala, Carolyn Martinez Golojuch, MSW, Richard S. Miller, Ruth Ellen Lindenberg, Jim and Yoshie Tanabe, Advocates for Consumer Rights, The Interfaith Alliance Hawaii, Hawaii Clean Elections Coalition, Reverend Daniel L. Hatch, Jerry C.L. Chang, and Life of the Land.

Your Committee has taken the unusual step of attaching the testimony as an appendix to this report, in order not to risk mischaracterizing, misinterpreting, or otherwise misrepresenting the testimony on this very sensitive matter.

Your Committee notes that the testifiers generally supported the draft report, with the most prevalent comments relating to:

- (1) Referral of bills to the proper committee;
- (2) The power of the money chairs in conference committee. Your Committee's approach is to make the comments known to the entire Senate by attaching the testimony hereto, and to defer the ultimate decisions to the members of the Senate, particularly as to the conference committee procedures discussed above; and
- (3) Deferral of bills by standing committee chairs.

Background

This measure requests the Senate Committee on Judiciary and Hawaiian Affairs along with two members of Senate leadership to study the Senate rules relating to decision-making by standing committees and conference committee procedures as applied to the decision-making by conference committee. The purpose of the study is to consider whether the Senate rules and the conference procedures "need to be amended to ensure that Senators' voting rights are fairly apportioned and considered."

This measure was an outgrowth of the concern raised by certain Senators of the apparent conflict between the Joint Senate-House 2003 Committee on Conference Procedures, paragraph 8, relating to decision-making meetings, and Rule 22(1) and (2) of the Senate Rules of the Twenty-Second Legislature, relating to decision-making by standing committees. The issue is whether requiring a majority vote of all of the chairs of a conference committee violates the requirement of a majority vote of the quorum of a standing

committee. Your Committee notes at the outset that the Attorney General has stated that the current procedures are constitutionally permissible.

Opinion of the Attorney General

Your Committee requested the input of the Attorney General to render a definitive decision as to whether Rule 22(1) and (2) of the Senate Rules, relating to decision-making by standing committees, and paragraph 8 of the Joint-Senate House 2003 Committees on Conference Procedures (conference procedures), pass constitutional muster. In response, the Attorney General submitted written testimony that concluded that:

- (1) In the absence of a constitutional mandate, or unless the procedure is in derogation of a constitutionally guaranteed right, the Legislature has exclusive authority to determine the procedures necessary to conduct legislative affairs;
- (2) The equal protection clause and the one person, one vote principle does not require a properly apportioned legislative body to distribute power and influence so that every legislator is as powerful and influential as every other member of the body;
- (3) The United States Supreme Court has held that:
 - (i) Changes which affect only the distribution of power among officials have no direct relation to, or impact on, voting; and
 - (ii) The only legally protectable interest of legislators is in not having their final vote on a legislative act completely nullified;
- (4) Aside from procedures expressly prescribed by the Hawaii Constitution, there are no constitutional parameters that need to be factored into a committee's recommendations for fairly apportioning and considering senators' "voting rights";
- (5) The Hawaii Constitution provides in Article III, section 12, that each house shall determine the rules of its proceedings, thus allowing the Legislature to have broad discretion to determine how and when individual Senators are to act on a measure, when members of a committee are to act on a measure, and when committee chairs and other Senate leaders will act on a measure; and
- (6) Article III, section 12 of the Hawaii Constitution specifies that decision-making on matters referred to the committee shall be open to the public.

Thus the Attorney General concluded that the decision-making provisions of the Senate Rules and the provisions of the Joint Senate-House 2003 Committees on Conference Procedures meet constitutional muster.

Notwithstanding the testimony of the Attorney General, your Committee has set forth provisions for consideration and discussion. It is the position of this Committee that the Senate Rules are to be considered by each Senator. Every Senator will have the opportunity on the floor of the Senate to propose and debate any revisions to the rules.

Committee on Conference Procedures

For most part, joint conference procedures require that both houses agree to the same rules. (Mason's 773-4) Any changes proposed by the Senate to the joint conference procedures must be approved by the House. Therefore, any proposed conference procedures recommended herein are not effective unless similarly approved by the House. Joint conference procedures are promulgated by the Senate President and the Speaker of the House, usually after consultation with their respective caucuses.

Notwithstanding, it has been the practice that certain procedures may differ by the respective Houses. An example is the need for a quorum for the House conferees to convene the first meeting in conference. Thus, if the Senate proposes a change in the decision-making process for itself, it is the contention of this Committee that such a difference is permissible and sanctioned by past practice.

1. Conference Decision-Making

The Joint Senate-House 2003 Committees on Conference Procedures (conference procedures), paragraph 8, is the focus of S.R. No. 147 as it relates to decision-making meetings, states in pertinent part:

- a. A quorum of the Conference Committee shall be present for the decision-making meeting. A quorum shall be a majority of the House Committee managers and a majority of the Senate Committee managers and shall include a majority of the chairs of the conference committee for their respective chamber.
- b. To report a measure out of Conference Committee in amended form (CD), a majority of the chairs for each respective chamber and a majority of the quorum of managers for each respective chamber must vote in favor of the proposed amendments, provided that no Conference

Committee Report concerning a measure with fiscal implications shall be reported out of a Conference Committee without the signatures of the chairs (or their designee) of the fiscal committees of each chamber.

A conference draft (CD) does not pass final reading until it is reported out of conference. Thus, a major step for the bill is to pass conference in order to make it to the floor for final reading.

The Hawaii Constitution is again silent on conference committee proceedings. A bill referred to conference has already passed the three constitutionally required readings in each house under section 15 of article III of the Hawaii Constitution. In addition to these six readings, there is a constitutional provision for a final reading under section 15 of article III. A vote on final reading is on the conference committee report. (Mason's 772-1)

Every member of the conference committee is a "manager." A "chair" of the conference committee from each house is appointed the "lead." Current rules require both a majority of the quorum of managers and a majority of the chairs to report out a CD. The issue presented by S.R. No. 147 is the fairness of requiring a majority of the chairs to vote out a CD. What if there is only one chair or two chairs for one house? In that instance, one chair would have the power to prevent the passage of a CD although a majority of managers and the other chairs vote to pass it out, which would be unfair on its face. This appears to conflict with the view embodied in S.R. No. 147, which promotes the position that the rules should "...ensure that Senators' voting rights are fairly apportioned and considered[.]" Yet your Committee reiterates that the Attorney General found this practice to be constitutional.

Conference procedures are within the discretion of the houses of the legislature. "The houses may provide for such procedure as they may agree upon unless constitutional requirements prevent." (Mason's, 775) Current conference procedures are constitutionally sufficient. The procedure relating to the voting power of chairs was adopted on April 12, 2001, for application in the 2001 legislative session conferences and has been applied since then.

If a conference committee is not able to agree, the committee can be discharged and a new conference committee appointed in the same manner as the original committee. (Mason's, 771-6) Thus there is recourse if a bill is not passed out of conference because a majority of the chairs of either house do not support it. However, this can be impracticable in view of the time constraints of conference proceedings.

The proposed change supported by the testifiers is to have the majority of the conferees with no differentiation between the chairs and managers. This is analogous to the standing committee decision-making. The most prevalent concern is that of the fiscal bills which will be addressed at length in the following section.

An alternative solution may be to have one chair or three or more chairs appointed. In this respect there will be no possibility that one or two chairs of a house effectively vetoing a bill. In the case of single referral bills, there should only be one chair in conference.

Bills in conference tend to receive more public scrutiny and media attention. In this regard, appearances count. Conferring power to a few conference chairs who could defeat a bill in conference, while justified for the money chairs in budget and appropriation bills, may not similarly be justified in other legislation. Further, current conference voting tends to be postponed because of the necessity to obtain the approval of a money committee chair who is also a conference chair, as is often the case in many bills. The money chair is often in more than one conference meeting simultaneously.

Your Committee recognizes that there are three alternatives to current conference committee decision-making procedures:

A. To amend the current wording of paragraph 8(b):

- b. To report a measure out of Conference Committee in amended form (CD), a majority of the chairs for each respective chamber and a majority of the quorum of managers for each respective chamber must vote in favor of the proposed amendments~~[-, provided that no Conference Committee Report concerning a measure with fiscal implications shall be reported out of a Conference Committee without the signatures of the chairs (or their designee) of the fiscal committees of each chamber].~~ No Conference Committee report for a measure with fiscal implications shall be filed with the appropriate Clerk unless the fiscal committee chairs have previously approved of the fiscal portion of the measure, without regard to whether the fiscal committee chair or vice chair is a chair of the Conference Committee. The fiscal committee chair of each house shall inform the lead chair as soon as the budget is closed with the money figures or other recommended revisions to the conference draft pertaining solely to fiscal implications. The fiscal committee chair or vice chair of each house shall inform the Clerk of their respective house of the bills needing their approval before being filed.

Bills with fiscal implications usually need to await the closing of the budget, which depends upon the money chairs – the chairs of the Senate Ways and Means committee and the House Finance committee. To accommodate this consideration, the conference rules could be amended to require that all bills in conference with fiscal implications await the closing of the budget, rather than appointing the money chairs as conference committee chairs for these bills. These bills must be identified at the outset of conference, and need not await the vote of the money chair. As soon as the budget is closed, the other conference bills with fiscal implications can be voted out, which would alleviate the need in recent years of holding a massive conference committee vote meeting in the evening of the decking deadline. The budget is usually closed before that evening, so that other conferences can proceed to vote and legislative staff agencies have time to prepare a CD in its

final form for decking. As a stop-gap measure, conference rules may provide that any bill with fiscal implications that is passed out in conference must have the approval of the money chair in each house before being decked.

Your Committee points out that the authority of the fiscal committee chairs, in the event they are not appointed to the conference committee, over a bill that is in conference is limited solely to fiscal matters. Your Committee believes this authority is necessary in view of the importance of state finances. In the event that a fiscal committee chair is not also a conference committee chair or member of the conference committee, an issue arises as to whether or not this procedure is an open vote. The Attorney General is of the opinion that this is permissible, because the fiscal committee chair is not a member of the conference committee. If the fiscal chair was on the conference committee, the vote of the fiscal chair would have to be public. Your Committee surmises that this irony is the unintended consequence of an open vote rule that applies to the committee members only. Seen in this light, the fiscal standing committee chair, whether or not serving on the conference committee, is effectively the sole decision maker and not the conference committee on fiscal matters. This is not a preferred outcome but nonetheless one that invites discussion in light of the Attorney General's opinion.

B. To add a provision to clarify the number of appointed chairs:

Appointment of Conference Committee Chairs and Managers

There shall be one chair appointed from the Senate for a measure that is a single referral, with the chair being the chair of the standing committee to which the measure was referred. There shall be not less than three chairs appointed for all other measures, of which not more than one chair from the Senate may be the chair or vice chair of the Committee on Ways and Means whose vote shall be limited to fiscal matters, other than the budget bill.

C. To amend the current provision to delete the differentiation between chairs and managers:

Appointment of Conference Committee Members:

All Senators appointed to a conference committee shall be deemed to be members of the conference committee; provided that the Senate President shall appoint one chair who shall perform the ministerial duties such as calling the meeting to order, summoning Senators to attend the meeting, taking the vote, and posting the meeting notices. For purposes of voting, the chair shall be considered a member of the conference committee.

Voting by Conference Committee

To report a measure out of Conference Committee, a majority of the members of a conference committee must vote in the affirmative of the proposed amendments.

2. The Role of the Money Chairs in Conference

The Chair or Vice Chair of the Senate Committee on Ways and Means and the Chair or Vice Chair of the House Committee on Finance are usually selected as one of the chairs of a conference committee. Their roles are usually for the purpose of deciding on money matters contained in the bill, such as an appropriation or other fiscal implication. Your Committee is cognizant of the perception that the money chairs may have excessive power over a conference bill as in some instances, their individual vote could determine whether the bill does not pass out of conference, despite an affirmative vote from a majority of the managers. Yet your Committee recognizes the importance of the role of the money managers in conference with regards to the budget and financial plan. Your Committee proposed a remedy to this situation in Section 1, conference decision-making, above.

3. Scope of Amendments

Your Committee received disturbing testimony to the effect that Conference Committees amend bills to insert unrelated subject matters. The Joint Senate-House 2003 Committees on Conference Procedures (conference procedures), relating to bill amendments, provides:

The authority of the Conference Committee shall be limited to resolving differences between the Senate and House drafts of a bill or resolution. Accordingly:

- a. With the exception of the Executive Budget, the Judiciary Budget and the Budget of the Office of Hawaiian Affairs, a Conference Committee shall not amend a bill or resolution by inserting into the bill or resolution any unrelated or new subject matter.
- b. To assure the integrity of individual bills, the merging of two or more distinct but related bills into one encompassing bill shall not be allowed.

This provision is the first paragraph of the conference procedures, which indicates its importance. Your Committee takes this opportunity to caution all conference chairs to be cognizant and vigilant of this procedure, so that any proposal to amend the conference draft passes the test of this provision. Public perception is negative about the secrecy and arbitrariness of conference proceedings. Your Committee reminds conference chairs that the manner in which proposed amendments are considered could alter the public's perception of the merits of the conference draft. Your Committee urges conference chairs to openly discuss all proposed conference amendments and whether those amendments pass the test of this provision, including proposed conference drafts that are exchanged between chairs. In this manner, the public can be assured that the Legislature is fairly complying with its rules.

Nonetheless, your Committee believes that clarification of this provision is advisable in view of the persistence of this issue. Your Committee presents the following as an alternative:

- a. With the exception of the Executive Budget, the Judiciary Budget and the Budget of the Office of Hawaiian Affairs, a Conference Committee shall not amend a bill or resolution by inserting into the bill or resolution any unrelated or new subject matter[-] or any provision contained in another bill that has not been heard; provided that any insertions may be made in aid of the bill's intent, purpose, effectuation, or clarification.

4. Selection of Conference Committee Members

Your Committee heard testimony inquiring about how conference chairs and managers are chosen. The current conference procedures are silent on this matter. Under current practice and under Senate Rule 14(4), the President selects the chairs and managers. Every Senator may request the President to be selected to serve on a particular conference committee.

In the interests of informing the public, your Committee presents the following as an alternative to Senate Rule 14(4):

Appointment of Conference Committee Chairs and Managers

Chairs and managers (or members) shall be appointed by the Senate President upon recommendation of the lead chair in the conference, who shall be designated by the President. Every chair and manager (or member) shall have voted in the affirmative or with reservation to pass the measure on third reading. Every Senator who voted in the affirmative may submit a request to the President to be a member of any conference committee. Conference chairs and managers (or members) may be changed after their initial selection in the same manner.

5. Binding Votes

Your Committee is concerned that there may be instances where a conference chair verbally votes affirmatively on a conference draft and later refuses to sign the conference committee report. Your Committee believes this is unacceptable, and presents the following as an alternative to the present conference procedures in paragraph 9:

- a. A majority of the Senate chairs of a Conference Committee shall attest to the action of the Conference Committee by signing the Conference Committee report on behalf of their respective managers. A chair who has voted in favor of the action during the roll call vote shall sign the report accordingly or, due to the unavailability of the chair, the Senate President may sign for the chair. The "Record of Votes of a Conference Committee" sheet detailing the votes of the managers of the Conference Committee shall be attached to the report as a part thereof.

Effect of Senate Rules on Conference Procedures

As discussed above, the issue is whether requiring a majority vote of all of the chairs of a conference committee violates requiring a majority vote of the quorum of a standing committee. As discussed earlier, your Committee notes that the Attorney General has stated that the current procedures are constitutionally permissible.

Because the conference procedures are jointly adopted by both houses, your Committee believes that the Senate Rules should be amended to confer authority upon the Senate President to adopt appropriate conference procedures, without being restricted by consistency with Senate Rules.

Your Committee presents the following alternative as an addition to the Senate Rules:

Rule . . . Conference Committee Procedures

The Senate President shall have authority to adopt appropriate conference committee procedures.

Procedures for Amending the Senate Rules

Rule 86 of the Senate Rules provides:

- (1) No rule of the Senate shall be amended or rescinded nor shall any new rule be adopted, without one day's notice of such change. Any such action shall require a majority vote of the members of the Senate.
- (2) Any rule may be suspended for a particular purpose upon a majority vote of the members of the Senate.
- (3) Any violation of these Rules shall be referred to the President for appropriate action.

The adoption of rule changes is made by Senate Resolution adopted on the floor in compliance with Rule 86 of the Senate Rules.

Senate Rules Interface with House Rules

Because the Senate is an independent body of the legislature, the Senate Rules may be different than the rules of the House. Section 12 of article III of the Hawaii State Constitution states in pertinent part: "Each house shall ... determine the rules of its proceedings[.]"

Senate Rule Changes and Discussion of Issues

Based upon the testimony received at the hearing, your Committee has determined that certain clarifying amendments can be considered to the Senate Rules to address concerns about procedures and voting.

6. Bill Referral

In 1959, the Rules of Procedure of the Senate, Legislature of the Territory of Hawaii (1959 Rules), provided in Rule 55(2) that the Senate President makes the referral to the appropriate standing committee. In 2001, a rule change was made in Rule 45(3) to provide that the majority leadership make the referrals. Testimony indicated to your Committee that the process of bill referral should be clarified in the interests of informing the public of what actually occurs.

Rule 46 of the Senate Rules provides in pertinent part:

- (2) The majority staff office shall make recommendations to the majority leadership on the referral of each such bill to appropriate Leadership or Standing Committees.
- (3) Each such bill shall be referred by members of the majority leadership appointed by the President, to one or more appropriate Leadership or Standing Committees for consideration.

Your Committee presents the following alternative to the current wording of Rule 46(3):

- (3) Each such bill shall be referred by members of the majority leadership appointed by the President, which appointment shall not include the President, to one or more appropriate Leadership or Standing Committees for consideration~~[-]~~, based upon the relation of the subject matter of the bill to the purview of the appropriate standing committee as described in Rule 17; provided that all bills containing any appropriation or having any fiscal impact shall be referred to the Committee on Ways and Means as the committee of last referral.

The alternative wording is intended to ensure that the bill is referred to the appropriate committee with jurisdiction over the substance of the bill. Your Committee notes that the President is currently not a member of the majority leadership for purposes of bill referral, but nonetheless the issue was raised and needs to be clarified.

Your Committee notes that a referral may be changed under Rule 46(4) of the Senate Rules, upon written request of any chair who is aggrieved by the referral. Thus, there is recourse for any committee chair who wishes to contest the referral of any bill.

7. Holding a Hearing on a Bill

Rule 23 of the Senate Rules provides for the scheduling of hearings on a bill:

- (1) Subject to this rule, the selection and scheduling of a bill for public hearing shall be at the discretion of the chair of the committee having jurisdiction over the bill.
- (2) The chair's determination that a bill will have a public hearing shall be final notwithstanding the opposition of a majority of the members of the committee.
- (3) At the written request of a majority of the members of the committee, the chair shall schedule a bill for public hearing.

The rule was adopted for the 1993 Session and has not been amended. The rule does not require that the committee hold a hearing on every bill referred to it. The decision of whether to hold a hearing is at the discretion of the Committee Chair. Rule 23(3) provides procedures for committee members to force a hearing on a bill.

Time constraints (between bill referral and second reading or between second and third readings) dictate against having more elaborate or formal procedures such as a committee meeting to decide on whether to hold a hearing on a bill. A meeting of the committee members would necessitate public notice and recording of the vote. The actual hearing on the bill would be at a later point in time. This is simply impracticable. The current practice is necessary due to the inherent limitations of the constitutionally mandated legislative days and three readings in each house.

Furthermore, the decision on whether to hold a hearing is implicit in the authority of the Chair, who was selected with the concurrence of the colleagues in the Senate who have in effect delegated that authority to the Chair for reasons of the subject matter expertise and procedural efficiency.

Your Committee references the testimony of the Attorney General: "The Equal Protection Clause of the Fourteenth Amendment and the 'one person, one vote' principle does not require a properly apportioned legislature to distribute power and influence so that every legislator is as powerful and influential as every other member of the body." Therefore, your Committee does not recommend any amendment to the current Rule 23.

8. Decisions to Defer

A standing committee chair's deferral of a decision-making on a bill has been raised as an objection to the current practice. Your Committee views this matter as inherent in the duties of committee chairs, as provided in section 611(a) of Mason's Manual of Legislative Procedures, 2000 edition (Mason's): "To call the committee together and to properly perform its functions." Further, the decision to defer is not made pursuant to a motion to postpone indefinitely requiring a vote under parliamentary procedure.

A measure that is deferred can be restored to the standing committee's hearing agenda at any time, because the measure is not being held. A committee chair may have many reasons to defer a measure, including the fact that the testimony indicates that it may be imprudent or unnecessary but may have some merit, or that the chair desires the bill to be redrafted by the proponent of the bill before going forward with it. Though it can be frustrating to the public, the procedure is a necessary part of the committee process.

Your Committee notes the parliamentary procedure found in Mason's 365, motion to postpone definitely, or Mason's 334, motion to lay the question on the table: "A motion to lay the question on the table until a certain time is a motion to postpone definitely." (Mason's 334)

However, in view of the public sentiment expressed at a hearing for public input held on November 24, 2003, your Committee has proposed an amendment to the Senate Rules. In the interests of explicitness of the Senate Rules, your Committee offers the following addition to the Senate Rules on bill deferrals:

Rule . . . Deferral of a Bill

The Chair of a Committee may defer further consideration of a bill and state publicly the reasons therefor at the hearing; provided that any member or the committee may move to take a vote on the deferral, in which case the chair shall proceed to take a vote immediately or at the next scheduled hearing of the committee. Upon such motion, a majority vote of the quorum of the committee shall be required to defer a bill.

9. Standing Committee Decision-Making Rules

Rule 22 (1) and (2) of the Senate Rules of the Twenty-Second Legislature, relating to decision-making by standing committees, was adopted as Rule 21 for the 1995 Session, and provides in pertinent part:

- (1) The chair of a standing committee may commence a decision-making meeting and open discussion on matters referred to the committee without a quorum; provided that the decision-making by the committee on matters that are referred to it shall be conducted with a quorum of the committee present. A quorum shall be a majority of the membership of the committee.
- (2) A favorable vote of a majority of the members present at a decision-making meeting duly constituted with a quorum is required to report a matter out of committee. A member voting "with reservations" shall be counted as a favorable vote.

The rule provides for a vote by a majority of the quorum, which could be less than a majority of the entire committee. The Constitution is silent on the quorum and vote requirements in committee. In contrast, the Hawaii Constitution does provide requirements pertaining to floor sessions. Section 13 of Article III of the Hawaii State Constitution states in pertinent part, "A majority of the number of members to which each house is entitled shall constitute a quorum of such house for the conduct of ordinary business, of which quorum a majority vote shall suffice; but the final passage of a bill in each house shall require the vote of a majority of all the members to which such house is entitled[.]" Thus the passage of a bill on second reading constitutionally requires a majority of the quorum. Similarly, the passage of a bill out of committee requires a majority of the quorum.

Further, a less-than-majority vote in a standing committee is constitutionally permissible because section 12 of article III of the Hawaii Constitution states in pertinent part: "Each house shall ... determine the rules of its proceedings[.]"

An argument could be made that a standing committee could prevent a bill from reaching the floor by a majority vote of the members present rather than the majority of the entire committee. For example, a five person committee could decide on a bill with a vote of two members of a three-member quorum. Public opinion may view this vote as inherently unfair. This view is embodied in S.R. No. 147, which states that a goal of the committee is "...to ensure that Senators' voting rights are fairly apportioned and considered."

However, most Senators are normally stretched for time during the Session and cannot attend every hearing (including decision-making) at all times. There are simply too few Senators who can serve on every committee. An effort is made by Senate Leadership to distribute committee membership to provide for the maximum possible number of Senators on each committee. The number of committees could be shrunk, but this means that the entire gamut of issues could not be adequately considered. As discussed above, the opinion of the Attorney General supports the constitutionality of this rule.

Possible solutions are to:

- (1) Increase the number of members of a committee so that a vote of the majority of the quorum (which is a majority of the committee) presents the appearance of adequate representation; or
- (2) Change the rules to require a majority of the entire membership of the committee to vote on a bill.

Increasing the number of members of a committee could necessitate a reduction in the number of committees. Requiring a majority vote of the entire membership of a committee could cause scheduling problems, especially in light of the number of committees. Your Committee did not find a solution which is practical.

Caucus Meetings

Senator Les Ihara expressed a concern at the hearing on November 24, 2003, that meetings of the caucus, now engaged in private, should be considered as a committee meeting under Senate Rule 21, requiring meetings to be public if the caucus votes. This discussion ensued from Senator Hanabusa's remarks detailing the recommended procedures your Committee would follow thereafter.

It was clarified that the recommendation of your Committee is not to have senators vote, but to merely discuss this report in caucus. Notwithstanding, a discussion on the openness of caucus merits discussion herein.

Your Committee is of the opinion that caucus meetings are not mandated to be open to the public, for the following reasons:

- (1) Section 92-10, Hawaii Revised Statutes (HRS), relating to the applicability of the sunshine law to the legislature, relegates the matter to the Senate Rules:

§92-10 Legislative branch; applicability. Notwithstanding any provisions contained in this chapter to the contrary, open meeting requirements, and provisions regarding enforcement, penalties and sanctions, as they are to relate to the state legislature or to any of its members shall be such as shall be from time to time prescribed by the respective rules and procedures of the senate and the house of representatives, which rules and procedures shall take precedence over this part. Similarly, provisions relating to notice, agenda and minutes of meetings, and such other requirements as may be necessary, shall also be governed by the respective rules and procedures of the senate and the house of representatives.

- (2) Senate Rule 21, relating to meetings of committees, refers to decision-making sessions of leadership committees and standing committees. The caucus will not vote on any proposed amendments to the Senate Rules. Rather, the whole Senate will vote and debate the proposals on the floor when the Session commences in January 2004. Therefore, the caucus meeting is for informational purposes.
- (3) The Senate Rules are otherwise silent on caucus meetings.
- (4) Closed caucus meetings are necessary to the functioning of the legislature. A democratic government is not circumvented in the process. Open meeting requirements are intended to provide for open decision-making or "the formation and conduct of public policy - the discussions, deliberations, decisions, and action of governmental agencies." (section 92-1, HRS)

Caucus meetings allow Senators to express opinions and discuss issues, which is a necessary to make enlightened and informed decisions *at a later time*. No rule or law should require the mental processes of a legislator to be made public, which is what an opening of a caucus meeting to the public would be tantamount to and would have a chilling effect on the deliberative process.

A distinction must be made between a meeting of a regulatory agency and a meeting of a legislative caucus. A regulatory agency decides who wins or loses a case before it, or promulgates rules. A legislative caucus does not decide cases and does not vote on a bill.

- (5) Any Senator is free to bring any matter discussed in caucus to the floor of the Senate for a comment, debate, and criticism.

Conclusion

Your Committee presents this report as a discussion of the issues and a presentation of alternatives to the current Senate rules and conference rules. Your Committee's recommendation is that the members of the Senate take appropriate action on the Senate floor, in the interests of maintaining open discussions and obtaining input.

Signed by Senator Colleen Hanabusa, Chair, on behalf of the Committee.

Senators Chun Oakland, English, Fukunaga, Ihara, Kawamoto, Kim, Tsutsui and Hogue.
Committee members.

CONFERENCE COMMITTEE REPORTS**Conf. Com. Rep. 1-04 on H.B. No. 1800**

The purpose of this bill is to amend the General Appropriations Act of 2003 (Act 200, Session Laws of Hawaii 2003), which appropriated funds for the operating expenses and capital improvement costs of the Executive Branch for the fiscal biennium from July 1, 2003, through June 30, 2005.

Overview

Through this Supplemental Budget, your Conference Committee has met its fiduciary responsibility to ensure the most prudent, efficient, and effective distribution of state resources. While your Conference Committee continues to affirm that government cannot be all things to all people, this budget provides for the priorities of the people of Hawaii while maintaining fiscal discipline.

Council on Revenues

At its meeting on December 22, 2003, the Council on Revenues (Council) revised its general fund tax revenue growth rate forecast for fiscal year (FY) 2003-2004 from 6.2 percent to 5.2 percent, based on a review of tax revenue growth trends. Its forecasts for general fund tax revenues for FY 2004-2005 and beyond remained unchanged.

At its subsequent meeting on March 10, 2004, the Council reaffirmed its forecast of general fund tax revenues for FY 2004-2005 and beyond. The Council's rationale was that the factors that drive the economy--visitor arrivals, construction, real estate activity, and consumer spending--were all very strong.

Although the Council provided relatively unchanged projections, your Conference Committee could not ignore the extremely low tax collections received to date. While the economy appears to be growing rapidly, the cumulative growth rate in actual tax revenue collections to date is roughly 3 percent, a situation that troubles your Conference Committee.

Economic Outlook

As the effects of recent events such as the war with Iraq and the severe acute respiratory syndrome (SARS) outbreak have subsided, it appears that Hawaii's economy has stabilized and is beginning its progress toward recovery. According to the latest figures from the Department of Business, Economic Development, and Tourism, unemployment in the state fell to 3.9 percent in January, and an all-time high of 603,200 workers are currently employed. Nominal personal income has risen by \$1,900,000,000, or 5 percent, and wages and salaries in the private sector grew roughly 6 percent.

Furthermore, factors are pointing to a recovery in the international stock markets. Indicators suggest that the corporate restructuring and governmental reforms in Japan's banking sector are allowing Japan to emerge from its decade-long economic stagnation. In the fourth quarter of 2003, Japan's economy expanded by 1.7 percent, its fastest growth rate in 13 years. As bad bank loans have been cleared out, investments in the securities markets have increased, allowing the benchmark Nikkei stock average to hit its highest closing point in 20 months. Despite the decrease in international arrivals, Hawaii has benefited from the strength of the yen relative to the dollar, as Japanese visitor spending has risen with increases in the purchasing power of the yen.

Although economic indicators seem promising, your Conference Committee recognizes the continued existence of risks in the geopolitical environment that could affect the economy at a moment's notice. The situation in Iraq remains extremely unstable, North Korea continues its provocative statements regarding nuclear arms, and the threat of terrorism is omnipresent. These factors could disrupt the global economy and affect the leisure travel that currently drives Hawaii's economy.

Despite the positive economic outlook, your Conference Committee is also concerned about the future impact of the diminished purchasing power of Hawaii's residents. According to the federal Bureau of Labor Statistics, the rate of inflation in Hawaii has risen 2.9 percent, exceeding the national average of 2 percent. Recently, the median price for a single-family home on Oahu rose to a record \$410,000. Regular gasoline prices have hovered around \$2 a gallon, 19.4 percent higher than in the second half of 2002.

Your Conference Committee believes that the signs of economic recovery reflect prudent steps taken by the Legislature in recent years, which have set the stage for a vibrant, diversified economy. Continuing efforts to maintain tax reductions, protect our consumers, and streamline government remain critical to economic stimulation.

Budget Situations in Other States**Budget Shortfalls**

Many states expect to finish the current fiscal year with only one-tenth of the budget shortfalls they carried at this time last year, and 30 states estimate ending the year with a modest surplus. At the same time, some states are projecting more than \$35,000,000,000 in budget shortfalls for FY 2004-2005. To fill these gaps, states have increased fees, tapped into rainy day funds, and cut government services. They have also received some relief from federal allocations providing \$10,000,000,000 for state Medicaid expenses and \$10,000,000,000 for other purposes.

Hawaii in Relation to Other States

According to the National Conference on State Legislatures, ten states, including Hawaii, have seen their fiscal health deteriorate since last November. Hawaii and 16 states reported that spending for Medicaid or other health programs continues to exceed prior budgeted amounts. In addition, these states are facing another round of budget shortfalls. Although budget shortfalls are less severe than in earlier years, the shortfalls are occurring at a time when many states, including Hawaii, have already depleted reserves, nearly exhausted one-time sources of funding, and imposed repeated budget reductions.

Budgeting Principles

Early in the legislative session, the Director of Finance outlined the four budgeting principles that this Administration recommended in developing its spending plan:

- (1) *The State must learn to live within its means.*
- (2) *The budget should have structural balance.*
- (3) *The budget should adhere to sound budgeting principles and its presentations should be clear and simple.*
- (4) *The State must strive to establish fiscal stability and reduce fiscal stress.*

Your Conference Committee generally agrees with these principles and developed its own Supplemental Budget and six-year general fund financial plan based on these shared principles.

Priorities

Your Conference Committee labored to craft a balanced budget that is responsive to the needs and demands of Hawaii's communities. Your Conference Committee has balanced the budget while ensuring the availability of adequate resources to:

- Put students first by reinventing our public school system with a focus on the factors that truly improve student achievement;
- Fight the crystal methamphetamine (ice) crisis through comprehensive and balanced initiatives to toughen criminal laws, provide treatment and prevention services, and empower our communities; and
- Make prescription drugs affordable and accessible to as many as 300,000 persons who lack adequate medical insurance by approving the Hawaii Rx Plus Program.

Reinventing our Public School System

Providing the tools required to educate the children of Hawaii has been a focal point for the 2004 legislative session, during which the Legislature has carefully considered numerous proposals for education reinvention and improvement.

The results of a recent statewide survey by the *Honolulu Advertiser* mirrored what your Conference Committee and the House and Senate Committees on Education felt necessary to create true educational improvement. First on the list of priorities for improving education was providing enough textbooks for students, followed by creating smaller classes in the primary grades, making needed repairs to school buildings and equipment, providing computers for students, and giving principals more control over how money is spent. These widely-supported, common sense approaches have also been identified by recognized education researchers as critical factors in improving student achievement.

These priorities reflect what the Department of Education (DOE) and the Board of Education (BOE) found to be vital components of their efforts and overall vision for improving public education in Hawaii. In an effort to support the DOE and the BOE's continuing efforts to improve and reinvent our schools, your Conference Committee and the House and Senate Committees on Education, funded many of the higher-priority items requested by BOE that were not included in the Governor's submittal.

BOE had asked the Governor to include an additional \$51,000,000 in the Executive Supplemental Budget. However, only \$3,700,000 was approved for submittal to the Legislature. Your Conference Committee and the House and Senate Committees on Education provided an additional \$26,000,000 for DOE in FY 2004-2005 to address the immediate needs of our schools and to further DOE's long-term plan and vision for public education.

The primary goal of the Legislature's educational initiatives is to provide the resources and the environment necessary for student achievement. Toward that end, your Conference Committee and the House and Senate Committees on Education developed a comprehensive funding approach, making the following appropriations through this bill and S.B. No. 3238, C.D. 1:

- \$2,500,000 for math textbooks and learning materials, almost doubling the current appropriation for schools;
- \$2,143,350 to lower the class size for kindergarten, first grade, and second grade;
- \$1,743,900 to establish Parent-Community Networking Centers (PCNCs) at every school;
- \$480,000 for pay differentials and reimbursements for teachers who earn National Board Certification;
- \$264,769 for the Hawaii Teachers Standard Board;

- \$500,000 to increase the ability of the University of Hawaii College of Education to produce highly-qualified teachers and administrators for our public schools;
- \$460,000 for full-time high school student activities coordinators;
- \$211,140 for 15 additional school security attendants to provide increased campus monitoring and supervision at 13 schools;
- \$347,299 for equipment and resources for new facilities;
- \$12,262,811 to raise the federal fund ceiling to reflect increased federal revenues under the federal No Child Left Behind Act and the Individuals with Disabilities Education Act; and
- \$25,886,070 for charter schools, based on the per pupil formula established under Act 203, SLH 2003.

These appropriations represent the Legislature's continuing commitment to fund quality education in our public schools. The \$2,500,000 appropriated for textbooks boosts the total amount available to purchase textbooks and instructional materials statewide to over \$5,000,000 in FY 2004-2005. The \$2,000,000 appropriated to lower class size will allow 75 additional teachers to be hired and will bring more attention to students' needs, especially during their critical formative years in kindergarten and first and second grade. The over \$1,200,000 appropriated for teacher education and advancement will help to develop teachers of the highest quality, and the \$1,743,900 to expand PCNCs at every school will allow greater parent involvement in the education of their children.

While your Conference Committee and the Senate and House Committees on Education believe that the complex area structure recently created to decentralize the old DOE district system will serve as an excellent base on which to build our educational reinvention efforts, more authority and accountability are needed at the school level. This authority and accountability should extend to school budgeting and expending funds.

It is the intent of your Conference Committee and the House and Senate Committees on Education to empower principals to act as their schools' educational leaders and to work together with the school community. To accomplish this, the Legislature provided \$500,000 for a Hawaii Principals Academy, \$400,000 for recall days for principal training, \$183,780 for the Administrator Certification of Excellence (ACE) program, \$400,000 for pilot school community councils and the development of academic and financial plans prior to statewide implementation of the weighted student formula, and \$350,000 for School Community Council training.

Hawaii is known for equity in public education funding, largely due to the State's organization under a single statewide district, which enables fair distribution of moneys to our public schools. In Hawaii, the poorest of communities receive the same level of resources as the wealthiest communities. In other states with local revenue sources, such as property taxes, there generally are large financial disparities between school districts in poorer neighborhoods and those in more affluent areas. To take the equity of Hawaii's public education funding one step further, your Conference Committee and the House and Senate Committees on Education have embraced a weighted student formula to allocate resources based on the needs of individual students, and to serve as the cornerstone of efforts to improve the delivery of educational services to our children.

To foster implementation of a weighted student formula, your Conference Committee provided \$10,000 to fund the operations of a Committee on Weights within DOE to determine student weights. \$2,000,000 has also been appropriated to facilitate field support, security and privacy, and training for the information technology infrastructure required to provide schools with a firm foundation for their reinvention efforts.

To help DOE prioritize school repair and maintenance expenditures and expedite their completion, your Conference Committee and the House and Senate Committees on Education consolidated certain responsibilities that were divided among various state agencies. The user and expending functions and funds for school repair and maintenance were transferred from the Department of Accounting and General Services (DAGS) to DOE. This will streamline administration of these functions and allow DOE to better address one of the major concerns of the Legislature, BOE, DOE, parent, and teachers: the quality of the physical learning environment.

In summary, your Conference Committee and the House and Senate Committees on Education worked with DOE and BOE to prioritize initiatives and successfully develop workable educational reinvention measures that address the needs of the children in our public schools. Over \$26,000,000 in additional funding has been provided to DOE for FY 2004-2005 along with initiatives that will reduce the bureaucracy that hinders school repair and maintenance, and the performance of public school functions. These measures represent only the opening notes of an educational initiative that will provide long-term benefits for our children and the people of Hawaii.

Fighting the Ice Crisis

Your Conference Committee recognizes and commends the work of the Joint House-Senate Task Force on Ice and Drug Abatement (Ice Task Force). The Ice Task Force traveled statewide to research the issues and listen to diverse communities. These communities told the Ice Task Force that the status quo is unacceptable. Over 6,000 ice users need treatment, and of these, fewer than 3,000 are able to access publicly funded treatment. The Ice Task Force found that women of childbearing age, pregnant women, parents with young children in the home, and Hawaiians are underserved, and should be given priority in receiving publicly funded substance abuse treatment.

Your Conference Committee has identified additional resources to begin the serious effort required to deal with the crystal methamphetamine crisis that has burdened every community in our state. To respond to the call heard clearly from communities across the state, your Conference Committee appropriated funds, through H.B. No. 2004, C.D. 1, for a multipronged approach to the crisis. This approach improves and extends the State's drug use prevention, drug abuse treatment, and public safety programs.

Appropriations in H.B. No. 2004, C.D. 1, include:

- \$4,000,000 for adult treatment services;
- \$3,000,000 for school-based treatment programs in high schools and middle/intermediate schools;
- \$2,000,000 for substance abuse prevention;
- \$500,000 for treatment of first-time, nonviolent drug offenders and any such drug offender sentenced to probation under sections 706-622.5 and 706-625, Hawaii Revised Statutes;
- \$1,499,688 for the introduction of drug court programs in the second and third judicial circuits;
- \$1,200,000 for the expansion of drug court programs, including those of juvenile and family drug courts;
- \$400,000 as a grant-in-aid to the various counties to fund community-based substance abuse prevention programs;
- \$300,000 for a study and analysis of the effects of clandestine methamphetamine laboratories on the environment;
- \$125,000 for the coordination of community-based drug abatement and mobilization efforts;
- \$75,000 for the Canine Drug Interdiction Program; and
- \$100,000 in grants-in-aid to each county to fund grassroots community efforts to sustain their anti-drug campaigns.

Increasing the Affordability of Prescription Drugs

Your Conference Committee has supported the efforts of the Legislature to refine and improve the Hawaii Rx Program, renamed the Hawaii Rx Plus Program (Rx Plus) in S.B. 3237, C.D. 1. Rx Plus employs the purchasing power of consumers to negotiate lower prices and rebate agreements from pharmaceutical companies for residents who lack drug coverage under Medicaid or other government or private programs.

Rx Plus will provide drug coverage for people with incomes up to 350 percent of the federal poverty level, approximately \$75,880 for a family of four, or \$37,450 for a single person. Eligible Hawaii residents will apply for a Hawaii Rx Plus card and use it to qualify for reduced drug prices between 10 and 60 percent below the retail price at their local participating pharmacy.

Your Conference Committee has put the people of Hawaii first by taking immediate action to address the issues of education reinvention, ice use abatement, and affordable prescription drugs--issues of primary importance to Hawaii's people.

In addition to providing the means to address the priorities of the people of Hawaii, your Conference Committee has also provided resources to address various other statewide concerns.

Department of Human Services

Your Conference Committee diligently reviewed the requests of the Department of Human Services (DHS) and arrived at equitable decisions based on departmental and public testimony. DHS is tasked with providing high-quality social services for those least able to help themselves. Your Conference Committee acknowledges the importance of the employees and programs within DHS and the individuals whom they serve. Accordingly, your Conference Committee has provided the needed fiscal resources to continue funding critical social service programs including those serving individuals under QUEST, the Compact of Free Association, foster care, adult and community-based care, and services for the medically uninsured.

In difficult financial times, low-income individuals are forced to go without basic health insurance. Your Conference Committee realizes that since QUEST is the primary safety net that provides low-income individuals with the basic medical services they need, it is imperative that the State provide funding at the highest possible level. Your Conference Committee is in full support of providing additional funds needed for QUEST due to higher enrollment and capitation rates, and has provided an additional \$25,800,000 in FY 2004-2005 to allow DHS to deliver basic health insurance to qualified residents.

The State spends approximately \$32,000,000 annually to cover the medical care costs of individuals under the Compact of Free Association and agrees that it is in the best interest of the State to continue providing medical services to Micronesians and Marshallese living in Hawaii. Your Conference Committee has accordingly provided \$7,300,000 in general funds for FY 2004-2005 to help defray costs in areas such as health and social services for individuals who receive services under the Compact of Free Association. A majority of the funds, \$6,700,000, will be used to offset high enrollment and capitation rates associated with the Hawaii QUEST managed care program. The remaining \$600,000 will fund services to approximately 500 eligible recipients in the aged, blind, and disabled population.

Abused and neglected children are a primary concern of your Conference Committee. These children have the right to live in safe homes and receive adequate care and supervision. Your Conference Committee has provided an additional \$3,600,000 to assist the State with payments made for foster care, higher education, difficulty-of-care, and subsidies to facilitate adoption for children with special needs. The increased child-out-of-home payments will care for approximately 700 children who will need services in FY 2004-2005.

Your Conference Committee realizes that the Adult and Community Care Services Branch (ACCS) is instrumental in sustaining a functional population of semi-dependent adults who are able to contribute to our community. One of the programs central to achieving success in this arena is the Residential Alternatives Community Care Program. Your Conference Committee has provided \$500,000 for home and community-based medical care services to persons with disabilities and chronic illnesses as an alternative to more costly institutionalization. An additional \$500,000 is also allocated in H.B. 2796, C.D. 1, for these purposes.

Another core program of ACCS is the Chore Services Program (CSP), which provides Hawaii's rapidly aging adult population an alternative to the more costly institutionalized care offered by hospitals and community-based service centers. CSP also provides in-home social, health, and protective services to this population. Your Conference Committee believes that the services provided by CSP are critical in helping vulnerable dependent adults sustain an active lifestyle. As a result of your Conference Committee's concern for disabled adults and the 675 individuals on CSP's waitlist, your Conference Committee has provided \$767,850 to care for approximately 150 individuals in need of services. The Legislature also provided \$100,000 in H.B. No. 2796, C.D. 1, to ensure that in-home services will be provided to an additional 40 recipients.

Your Conference Committee recognizes that the uninsured population must be dramatically reduced within the State. The Hawaii Uninsured Project in 2003 projected there are approximately 14,000 uninsured children within the State. Additional studies indicate that increasing the population of healthy keiki can reduce future medical expenses borne by all taxpayers. Your Conference Committee believes that, even under fiscal constraints, it is important to provide medical insurance to individuals and specifically to children who meet eligibility requirements for QUEST. Therefore, your Conference Committee provided an additional \$4,800,000 for medical insurance for approximately 2,000 adults without children, and children who are currently without health insurance. Your Conference Committee strongly believes that insuring children is a cost-effective approach to avoiding additional medical costs borne by community health centers and emergency hospitals.

Department of Health

Your Conference Committee affirms its support for our most vulnerable populations, including those suffering from mental illness and substance abuse and reaffirms its commitment to ensuring that the health and safety needs of all of Hawaii's people are met despite the State's limited resources.

Your Conference Committee addressed these needs by providing the Department of Health's (DOH) Adult Mental Health Division (AMHD) with \$14,782,032 for FY 2004-2005 to assist individuals suffering from mental illness. The funds provide outpatient community-based services such as case management services, crisis intervention and rehabilitation services, as well as community housing services. Included in the funding amount is \$4,036,902 in general funds for additional bed space to accommodate patients being transferred or diverted from the Hawaii State Hospital (HSH). Additionally, your Conference Committee provided for the conversion of 66 temporary positions to permanent status for HSH to meet its staffing ratios as required by the federally imposed Remedial Plan for Compliance.

The Legislature further provided \$1,900,000 from the State's Emergency and Budget Reserve Fund, otherwise known as the "Rainy Day" fund for healthcare services for uninsured individuals. The funding, provided in H.B. 2796, C.D. 1, will expand medical, dental, and behavioral health services for the uninsured and provide additional funding for the 11 community health centers throughout the state. The funds appropriated are in addition to the \$2,100,000 already budgeted for the same services in DOH's base appropriation level.

In addition, your Conference Committee acknowledges the enormous progress made by the Child and Adolescent Mental Health Division in meeting the mandate of the Felix Consent Decree for children and youth with severe mental disorders.

Hawaii Health Systems Corporation

Your Conference Committee thoughtfully considered the need for the Hawaii Health Systems Corporation's (HHSC) level of general fund subsidy for FY 2004-2005. After much deliberation, your Conference Committee saw fit to fund HHSC's supplemental budget request of \$31,220,000 in general fund subsidy to support the State's twelve safety-net healthcare facilities. This general fund subsidy is in addition to the \$65,000,000 increase in special funds also approved by your Conference Committee. Your Conference Committee readily acknowledges that the constraints placed on HHSC, coupled with the low reimbursements from payors and the absence of Medicaid Disproportionate Share Hospital payments, make it unrealistic to assert that HHSC should be self-sufficient. Furthermore, these factors and others have hampered HHSC from attaining long-term solvency.

HHSC recently acknowledged that it "needs to continue to pursue opportunities to improve its policies and practices to increase revenues and reduce expenses wherever possible and appropriate, and will do so." Your Conference Committee appreciates HHSC's acknowledgement of its shortcomings and the Legislature looks forward to reviewing HHSC's progress in meeting its fiduciary responsibilities.

Your Conference Committee believes that great strides have been made by HHSC in resolving the myriad concerns and issues concerning HHSC that have plagued the Legislature the past few sessions. Looking forward, your Conference Committee is optimistic that a viable plan of action can be developed in the near future through the collaboration of executives and board members of HHSC, and other stakeholders. Your Conference Committee further believes that before the Legislature provides HHSC with any incremental

increases of autonomy, HHSC needs to articulate its own vision for its future. Your Conference Committee hopes that this vision will lead to HHSC incrementally reducing its dependence on a state general fund subsidy and achieving greater autonomy.

Toward this end, your Conference Committee recommends that the executives of HHSC provide the Legislature with a draft blueprint outlining HHSC's plan and including measurable outcomes. For example, in anticipation of increased autonomy, HHSC should indicate the mechanisms that it will have to implement to address anticipated changes to its current structure. The plan should also address issues relating to collective bargaining for certain HHSC employees, and HHSC personnel rules. Once this draft blueprint for change has been outlined in detail, it should serve as the roadmap for HHSC.

Your Conference Committee further recommends that HHSC's executives and board members collaborate, develop, and present to the Legislature within the next few months, prior to the 2005 legislative session, this detailed strategic action plan outlining HHSC's vision for its future. Your Conference Committee agrees with HHSC that the recommendation to establish an ad-hoc committee is innovative, and supports the creation of such a committee.

Your Conference Committee embraces the notion that the time for positive change is at hand. The Legislature looks forward to working with HHSC's management, board, patients, physicians, and other stakeholders in developing a viable plan of action that will empower HHSC with incremental increases of autonomy that will benefit both HHSC and the State.

Department of Education

In addition to the funding appropriated for educational reinvention, the Legislature provided funding to help improve all aspects of a child's experience in Hawaii's public schools, including:

- \$1,000,000 for school restroom supplies for statewide;
- \$2,500,000 to meet increased costs of transportation;
- \$3,464,418 for the A+ Afterschool program;
- \$1,324,779 for coaches' salaries, athletic trainers, and school athletic programs; and
- \$1,000,000 for additional library books and materials for 51 public libraries statewide.

The DOE serves over 180,000 students and is tasked with the mission of making quality education available to all of Hawaii's children. Your Conference Committee recognizes that facilities provide the centerpiece around which all educational activities exist.

Your Conference Committee approved an additional \$180,000,000 for deposit to the State Educational Facilities Improvement Special Fund. Of these funds, \$80,000,000 is for the construction of new public school facilities and the improvement and upgrade of existing facilities. The remaining \$100,000,000 is for major, bond-financed repairs to protect the structural integrity and aesthetics of school buildings. Of this amount, \$7,000,000 are previously authorized funds that are being transferred from the DAGS to the DOE. These new and reassigned moneys will be used to make aggressive improvements to the State's school campuses and enhance the environment in which Hawaii's children learn. Placing these moneys under the control of DOE will also improve the overall efficiency and accountability of the DOE school repair program.

University of Hawaii

Your Conference Committee recognizes the University of Hawaii (UH) as an important component in transforming and diversifying the state's economy. Your Conference Committee believes that UH will play a vital role in the current and future economic health of Hawaii and appropriated the funds necessary to achieve this goal.

Recent international instability has caused filming in Hawaii to increase due to U.S. production companies electing to not film in foreign countries. To capitalize on and further increase film production in Hawaii, your Conference Committee provided funding to create the Academy for Creative Media, which will help establish UH's film school and generate a new source of revenue for the State from the film and television industries.

To position Hawaii as a world-class leader in medicine and medical research, your Conference Committee provided an additional 36 positions and \$3,525,019 to open and operate UH's John A. Burns School of Medicine (School) and Health Sciences Library. One goal of this new campus, located in Kakaako, is to attract additional research funding and grants for UH's biomedical department, which has steadily gained international attention. This appropriation will cover the facilities' core operating costs to allow a reasonable start-up phase and will prevent any negative impact on the School's core educational programs or on the current high growth rate in its extramurally funded research and training programs.

Furthermore, your Conference Committee provided an additional \$368,097 to expand the apprenticeship-training program offered at community colleges to increase the pool of apprentices for the Pearl Harbor Shipyard as well as the statewide pool of construction workers.

To enhance the learning environment for students at UH's campuses, your Conference Committee approved an additional \$25,000,000 for the repair, upgrade, and improvement of UH facilities and infrastructure. Your Conference Committee also approved an additional \$2,500,000 for other high priority health and safety projects requested by the Board of Regents but excluded from the

Executive's budget recommendations. Moreover, your Conference Committee approved an additional \$54,000,000 in FY 2004-2005 for various other projects to improve the UH system.

Department of Public Safety

The paramount concerns of the Department of Public Safety (DPS) for FY 2004-2005 include the need to address overcrowding conditions within correctional facilities, improve the physical condition of current facilities, and rehabilitate inmates before releasing them back into the community.

Your Conference Committee worked to accommodate DPS's request for funds to transfer additional inmates to out-of-state facilities and the Federal Detention Center (FDC) despite fiscal constraints that were exacerbated by the increasing demands of other executive departments.

Your Conference Committee understands the constraints under which the department operates as it works to mitigate the overcrowding in our prisons. Your Conference Committee provided an additional \$4,500,000 for the transfer of additional inmates to out-of-state facilities and to the FDC. In making this appropriation, your Conference Committee kept abreast of weekly prison population statistics provided by DPS and notes that the populations at out-of-state facilities and particularly at FDC consistently remained below the level appropriated to DPS. For example, at FDC, the average population remained at just nearly half the number of beds appropriated. While your Conference Committee recognizes that this discrepancy is the result of a change in management at the FDC and its strict screening of inmates prior to their acceptance, DPS should continue its work to reconcile this difference.

Your Conference Committee has also provided an additional \$1,250,000 to address increases in the basic daily costs for inmates currently housed at out-of-state facilities and at the FDC on Oahu. Existing contracts with out-of-state facilities stipulate an annual increase in the basic daily fee by the greater of either 2.5 percent or the percent change in the Consumer Price Index for Urban Consumers. Accordingly, the contract to house Hawaii inmates in the FDC on Oahu specifies an annual increase in basic daily fees by approximately 2.25 percent. Your Conference Committee notes that another contract with Corrections Corporation of America to house inmates in Arizona will expire in June 2004, and negotiations that are under way between DPS and Corrections Corporation of America could determine whether the State will realize future cost savings or face increases in the cost of housing inmates out-of-state.

Your Conference Committee also provided \$934,407 to:

- Hire eight new permanent parole officers. Every day, the Hawaii Paroling Authority supervises approximately 2,500 offenders, 332 of which require intensive supervision. In the Intensive Supervision Unit, the average caseload for Parole Officers is approximately 55 cases, while the national standard is 30 cases. The average general caseload per parole officer is 140 cases, while the national standard is 65 cases. Clearly, caseloads for Hawaii's parole officers are well above the national standards;
- Hire seven new permanent deputy sheriff positions for the expansion of the Kauai Fifth Circuit Court and Kauai section of the Sheriff Division; and
- Create a new Inmate Release Unit in response to a court settlement agreement that ensures that all offenders under the care and custody of DPS are released in a timely manner in strict accordance with applicable court orders. For the establishment of this unit, your Conference Committee provided \$264,329 and five new permanent positions, which include one Inmate Release Administrator and four legal assistants.

Too often, inmates and parolees are released from prison only to return again. Your Conference Committee also appropriated \$500,000 for treatment programs for inmates and parolees to help break this cycle.

Your Conference Committee believes that funding both housing and treatment for inmates will contribute markedly to the achievement of DPS's main objectives, which include tackling prison overcrowding, providing adequate inmate treatment and job development services, and most importantly, ensuring public safety.

Department of Defense

Your Conference Committee recognizes the important role of the Department of Defense (DOD) in providing safety, welfare, and defense statewide. To help fight the "War on Terror," your Conference Committee has provided DOD with key personnel and funding to continue the defense of these islands.

The Hawaii Air National Guard (HIARNG) protects Hawaii's people and provides combat-ready units that can respond to any national contingency such as war, peacekeeping missions, or nation building operations. Your Conference Committee recognizes the importance of supporting military units that must maintain a high level of readiness. Therefore, your Conference Committee provided an additional \$633,000 for increased utility and operational expenses for various HIARNG facilities.

Your Conference Committee has also approved the addition of four personnel to maintain and upkeep the Regional Training Institute for the Hawaii Army National Guard at Bellows Air Force Station in Waimanalo. Your Conference Committee believes that well-maintained military sites are necessary for the vigilant protection of our state.

Department of Transportation

Hawaii's unique, isolated island environment makes it a potential target for terrorist attacks. To keep our nation safe, the United States Coast Guard enacted tougher security regulations for ports and harbors across the country. Your Conference Committee

approved approximately \$700,000 in additional funds to enhance security at various harbors to comply with these regulations. In preparation for heightened security due to a terrorist attack or other event, your Conference Committee provided an additional \$3,500,000 for extra security measures.

A clean environment is very important to our island community. In the past, our state harbors have been dumping grounds for waste and chemicals. To protect our environment and keep our waters clean, your Conference Committee provided an additional \$280,000 for hazardous waste disposal for Honolulu Harbor and Kewalo Basin.

Department of Land and Natural Resources

Your Conference Committee provided \$4,000,000 for the implementation of the Hawaii Invasive Species Council (HISC), a statewide pilot project coordinating invasive species prevention, control, research, and outreach programs. The Department of Land and Natural Resources (DLNR) will be the lead agency in this partnership that includes other state departments, as well as federal, county, and private entities, all working together toward this vital goal of preserving and protecting Hawaii's resources and natural beauty. HISC will assist in preventing new invasive species from entering the State as well as preventing the spread of existing invasive species. In addition to protecting Hawaii's fragile ecosystem, this program will save millions of dollars that would have been spent on the eradication and control of pests entering the state.

Your Conference Committee provided for the conversion of the operations of the Bureau of Conveyances from general to special funds. Act 125, Session Laws of Hawaii 2002, amended the amount of document recording fees deposited into the Bureau of Conveyances Special Fund for this purpose. The Legislature will closely monitor the program to ensure that excessive expenditures of non-general funds do not occur.

Your Conference Committee recognizes the need to promote the safe and responsible use of Hawaii's natural resources, which is also the mission of the Division of Conservation and Resources Enforcement (DOCARE). Your Conference Committee provided an additional \$100,000 to cover the overtime expenses of DOCARE officers. This will ensure that even our isolated and remote areas are patrolled during holidays and weekends.

Hawaii's state parks are a resource for residents and tourists alike, offering educational opportunities, as well as a diversity of exotic coastal and inland experiences. As such, your Conference Committee believes an investment in Hawaii's State Park System is prudent. To this end, your Conference Committee provided an additional \$14,000,000 for improvements to state parks to enhance park users' experience of Hawaii's special environment and allow them to learn more about its unique development. Hawaii's state parks not only directly benefit the people of Hawaii through their use, but also serve as an economic development tool by providing a natural attraction for visitors to our islands.

Department of Accounting and General Services

In preparing the budget for DAGS, your Conference Committee has sought to facilitate efficiencies in the use of state resources, focus on core programs, and provide for basic needs and services.

Your Conference Committee has provided additional funds for the operation of the No. 1 Capitol District Building. These funds are for increases in utility costs associated with the No. 1 Capitol District Building.

Your Conference Committee also increased the ceiling for the Surplus Federal Property Fund to take advantage of cost savings associated with the purchase of vehicles from the federal government's Fleet Sales Program. This increase will allow the department to adequately meet the needs of state and county agencies, eligible nonprofit organizations, and eligible 8A minority-owned businesses.

Your Conference Committee also provided funds for the DAGS Physical Plant Operations and Maintenance Program, which supports the DOE by providing administrative, technical, and trades support to keep school buildings and facilities in good condition. The funding provided is for increases in maintenance contracts for air conditioning maintenance, elevator maintenance, and refuse pickup for eleven new schools that have opened since 1998.

Your Conference Committee also provided an additional \$2,200,000 for increases for risk management mitigation services and coverage to ensure the protection of the State against catastrophic losses.

Department of Commerce and Consumer Affairs

Your Conference Committee has provided adequate appropriation levels for the Department of Commerce and Consumer Affairs (DCCA). These levels greatly exceed the levels formally requested by the Administration but are consistent with DCCA's reported requirements.

To determine an appropriate funding level, your Conference Committee asked DCCA to provide a list of spending requirements for FY 2004-2005. Despite not receiving formal requests approved by the Administration, your Conference Committee has granted all funding appropriations informally requested by DCCA, including all increases in spending.

The methodology used by DCCA and your Conference Committee to determine appropriation levels was to take the recently completed FY 2002-2003 appropriations as a base spending level. Your Conference Committee then added to this base all of the new spending initiatives that DCCA documented. For example, in FY 2002-2003, the Cable Television Division spent \$397,456. By using FY 2002-2003 as a base, your Conference Committee then added on all spending increases that DCCA identified. This included authorization for increased spending for personnel (\$75,593), I-NET (\$500,000), consulting services (\$100,000), the public, educational, and governmental (PEG) pilot project (\$800,000), and other expenses such as supplies, telephones, and advertising

(\$18,389). The total appropriation of \$1,891,438 for the Cable Television Division for FY 2004-2005 is well above the amount authorized last year in Act 200, Session Laws of Hawaii 2003. When the DCCA was unable to document planned expenditures for programs up to the authorized levels for FY 2004-2005 provided by Act 200, Session Laws of Hawaii 2003, your Conference Committee converted the means of financing from special funds to general and did not reduce the appropriation, despite the lack of justification for the appropriation levels.

Below is a table that shows the FY 2002-2003 actual expenditures for each program and the corresponding FY 2004-2005 general fund appropriation:

<u>Program ID</u>	<u>FY 2002-2003 Actual</u>	<u>FY 2004-2005 Appropriation</u>
• Cable Television	\$ 397,456	\$ 1,891,438
• Consumer Advocate	\$ 1,349,689	\$ 2,473,837
• Financial Institutional Services	\$ 1,533,551	\$ 2,153,836
• Insurance Regulatory Services	\$ 6,027,231	\$ 7,315,818
• Office of Consumer Protection	\$ 993,252	\$ 1,348,447
• Business Registration	\$ 4,027,365	\$ 5,477,813
• Regulated Industries Complaints Office	\$ 3,372,824	\$ 5,197,764
• General Support (Administration)	\$ 3,534,599	\$ 4,820,442

It is the hope of your Conference Committee that DCCA will exercise fiscal discipline to ensure that expenditures are not excessive and remain in line with revenues collected. In addition, your Conference Committee hopes that in the future DCCA will be more cognizant of the fact that if spending is contained then fees can be reduced accordingly.

Conclusion

Your Conference Committee has allocated the limited available resources of the State to meet its most critical needs, namely the reinvention of our education system, ice use abatement, and affordable prescription drugs. The appropriations contained herein comprise a thoughtful spending plan that reflects a balanced approach to addressing the important priorities of our communities without any tax increases.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1800, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1800, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kokubun, Aduja, English, Espero, Hooser, Inouye, Kanno, Kawamoto, Kim, Sakamoto, Tsutsui and Hemmings.

Managers on the part of the Senate.

Ayes, 13. Noes, none. Excused, none.

Representatives Takamine, Kaho`ohalahala, Karamatsu, Kawakami, Magaoay, Mindo, Nakasone, Nishimoto, Shimabukuro, Wakai, Waters, Bukoski and Moses.

Managers on the part of the House.

Ayes, 12. Noes, none. Excused, 1 (Shimabukuro).

Conf. Com. Rep. 2-04 on H.B. No. 2300

The purpose of this bill is to provide the necessary appropriations and authorizations for the operation of and capital improvements for the Judiciary for fiscal biennium 2003-2005.

Your Committee on Conference, with an appreciation of the crucial function the Judiciary performs for the state, appropriated \$1,716,879 of the Judiciary's supplemental budget requests, increasing the Judiciary's total budget for fiscal year 2005 to \$119,743,478. Of the remaining requests, the Legislature appropriated a majority through H.B. No. 2004, C.D. 1, and H.B. No. 2796, C.D.1, both of which are poised to pass. This funding will enable the Judiciary to fulfill its mission of "administering justice in an impartial, efficient, and accessible manner in accordance with the law."

H.B. No. 2004, C.D. 1, will provide 15 positions and \$1,472,419 for the expansion of the drug court programs in the Second and Third Judicial Circuits. This funding will facilitate the Judiciary's efforts to accommodate the demand for the services provided by its drug court programs. In the Third Judicial Circuit, an additional 25 adults and 16 juveniles will be served, doubling client capacity. The additional personnel in both circuits will ensure that clients receive adequate attention and proper treatment. These programs are a cost-effective means of treating non-violent offenders and freeing up prison space in our overcrowded correctional facilities to provide more room for more dangerous criminals.

Your Committee on Conference approved the following additional funding:

- (1) \$500,000 for guardians ad litem in the First Circuit to represent children involved in child protective proceedings and legal counsel to represent indigent parties;
- (2) \$345,705 for increased security at First and Second Judicial Circuit facilities and at the Administrative Driver's License Revocation Office (ADLRO) to ensure the safety of judges, staff, and citizens accessing court facilities; and
- (3) One social worker for the Office of the Public Guardian to meet the increasing demand for public guardianship.

The Legislature is quite concerned about child sex abuse in our communities. The statistics are startling: the number of reports of child sex assault on Oahu doubled in five years. H.B. No. 2796, will provide \$200,000 in funding for the treatment of both victims of intra-familial child abuse and juvenile sex offenders under the age of 12. In the six months since its launch, the program has successfully served more than 100 on Oahu and the Big Island. Your Committee is dedicated to supporting the continued success of the program.

With regard to the Fifth Judicial Circuit, your Committee on Conference provided funding for additional equipment in fulfilling the operational requirements of the new Kauai Judiciary Complex, scheduled for completion during the last quarter of 2005. Funding for a Personnel Technician and a Data Processing Support Technician were also authorized for the Circuit. These appropriations will enhance the quality of service the Fifth Circuit provides to its community.

Your Committee on Conference, in realization of the efficiencies to be gained through the use of technology, accommodated the Judiciary's request for \$300,000 for the final phase of the Human Resource Management Systems Project. It also provided funding for the update of the electronic benchbooks used by judges in adjudicating cases. This funding will increase the efficiency with which the Judiciary operates.

In addition to the resources provided for the Judiciary's operating requirements, your Committee appropriated \$41,950,000 for capital improvement projects, including construction of the Hilo Judiciary Complex, improvements for the Juvenile Detention Home Facility, and the development of a new facility to house the Children's Justice Center.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2300, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2300, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Aduja, English, Espero, Hooser, Inouye, Kanno, Kawamoto, Kim, Kokubun, Sakamoto, Tsutsui, Hemmings, Slom and Trimble.

Managers on the part of the Senate.

Ayes, 12. Noes, none. Excused, 4 (Kanno, Sakamoto, Hemmings, Slom).

Representatives Takamine, Hamakawa, Kaho'ohalahala, Karamatsu, Kawakami, Magaoay, Mindo, Nakasone, Nishimoto, Shimabukuro, Wakai, Waters, Bukoski, Jernigan, Meyer and Moses.

Managers on the part of the House.

Ayes, 11. Noes, none. Excused, 5 (Magaoay, Shimabukuro, Bukoski, Jernigan, Meyer).

Conf. Com. Rep. 3-04 on H.B. No. 2280

The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects for the executive branch and the judiciary.

Your Committee finds that the total amount of principal and interest estimated for the general obligation bonds authorized under this measure, and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit of the State to be exceeded at the time of issuance.

Article VII, section 13, of the Constitution of the State of Hawaii requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance; and
- (2) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2280, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2280, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kokubun and Slom.

Managers on the part of the Senate.

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

Representatives Takamine, Kawakami and Moses.

Managers on the part of the House.

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

Conf. Com. Rep. 4-04 on H.B. No. 1043

The purpose of this bill is to fund collective bargaining cost items in the agreements negotiated with collective bargaining units (2), (3), (4), (6), (8), (9), and (13), and salary increases and other cost adjustments for their excluded counterparts.

On March 26, 2004, the Arbitration Panel issued its decision in Hawaii Labor Relations Board Case No. 1-02-96, awarding collective bargaining units (2), (3), (4), (6), (8), and (13) salary increases and adjustments to collective bargaining agreements effective July 1, 2003, to June 30, 2005.

On April 7, 2004, pursuant to section 89-11(f), Hawaii Revised Statutes (HRS), the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation, which are subject to appropriation.

Accordingly, your Committee has amended this bill by:

- (1) Clarifying that the funds appropriated to fund collective bargaining cost items in the negotiated agreements are for fiscal year 2004-2005 rather than for fiscal biennium 2003-2005;
- (2) Removing references to collective bargaining unit (9);
- (3) Inserting specific appropriation amounts to fund cost items negotiated with collective bargaining units (2), (3), (4), (6), (8), and (13) of the Executive Branch, Judicial Branch, and Hawaii Health Systems Corporation for fiscal year 2004-2005;
- (4) Inserting specific appropriation amounts to fund salary increases and other cost adjustments for state officers and employees of the Executive Branch, Judicial Branch, and Hawaii Health Systems Corporation who are excluded from collective bargaining for fiscal year 2004-2005;
- (5) Changing the effective date from July 1, 2050, to July 1, 2004; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1043, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1043, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun and Tsutsui.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Kawamoto).

Representatives M. Oshiro, Takamine, Mindo and Jernigan.

Managers on the part of the House.

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

Conf. Com. Rep. 5-04 on H.B. No. 2004

The purpose of this bill is to provide the State and counties with the support and means to successfully battle the crystal methamphetamine (ice) epidemic that is raging throughout the State by, among other things:

- (1) Making appropriations for:
 - (A) Drug education and awareness;
 - (B) Segments of the population that are particularly vulnerable;
 - (C) Drug abuse treatment services;
 - (D) The Weed and Seed Program, Being Empowered and Safe Together Reintegration (BESTR) Program, and the KASHBOX Substance Abuse Treatment Program; and
 - (E) Grants-in-aid to counties to fund grassroots community efforts to sustain their anti-drug programs;
- (2) Establishing a statewide Substance Abuse Treatment Monitoring Program to assess the effectiveness of the various programs designed to stem the tide of the ice epidemic;

- (3) Requiring the Department of Public Safety (DPS) to, among other things, coordinate community-based drug abatement and mobilization efforts on a state-wide basis;
- (4) Expanding the services provided by the drug courts;
- (5) Expanding the Canine Drug Interdiction Program;
- (6) Creating a multi-agency task force to respond to the effects of ice on children; and
- (7) Providing a tax credit for lessors of rental properties used as drug rehabilitation homes.

Your Committee on Conference has used the recommendations of the Joint House-Senate Task Force on Ice and Drug Abatement as the State's battle plan in this war on ice. The resources of the State are straining to meet the numerous needs of the people, particularly in this precarious state of our recovering economy. Accordingly, your Committee on Conference finds that the most effective use of the State's resources should focus primarily on early intervention efforts to divert youth and young adults from drug use and prevention and treatment efforts to halt the spread of the ice epidemic.

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

- (1) Revising the appropriations for the various programs and services designed to curtail the ice epidemic;
- (2) Clarifying that the expending agency for the BESTR Program shall be DPS;
- (3) Deleting the tax credit for lessors of rental properties used as drug rehabilitation homes; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2004, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2004, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takamine, Kawakami, Nishimoto and Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. 6-04 on H.B. No. 2743

The purpose of this bill is to:

- (1) Transfer various excess balances contained in various non-general funds to the general fund for fiscal year 2004-2005;
- (2) Lower the balance ceiling, from \$300,000 to \$150,000, for moneys in the Environmental Health Education Fund that triggers an automatic transfer to the general fund at the end of each fiscal year; and
- (3) Repeal the authority of the Governor, or Director of Finance (Director) if so delegated by the Governor, to transfer the excess balances of certain special funds to the general fund at any time.

Your Committee on Conference has amended this bill by:

- (1) Changing the amounts of funding the Director is authorized to transfer to the general fund on July 1, 2004, as follows:
 - (A) From \$600,000 to \$800,000 from the Animal Quarantine Special Fund;
 - (B) From \$900,000 to \$1,000,000 from the State Motor Pool Revolving Fund;
 - (C) From \$296,000 to \$300,000 from the State Identification Revolving Fund;
 - (D) From \$250,000 to \$400,000 from the Foreign-Trade Zones Special Fund;
 - (E) From \$3,000,000 to \$10,000,000 from the Hawaii Community Development Revolving Fund; and
 - (F) From \$17,000,000 to \$11,000,000 from the State Highway Fund, with another \$1,500,000 authorized to be transferred on June 29, 2005;

- (2) Changing the amount of funding the Director is authorized to transfer from the Special Land and Development Fund to the general fund on July 1, 2004, to \$1,500,000, and authorizing the transfer of another \$1,500,000 on January 1, 2005;
- (3) Deleting language authorizing the Director, for fiscal year 2004-2005, to transfer funds from the:
 - (A) State Parking Revolving Fund;
 - (B) Tobacco Enforcement Special Fund;
 - (C) Convention Center Enterprise Special Fund;
 - (D) Hawaii Capital Loan Revolving Fund;
 - (E) Hawaii Strategic Development Corporation Revolving Fund;
 - (F) Compliance Resolution Fund;
 - (G) State Health Planning and Development Special Fund;
 - (H) Driver Education and Training Fund;
 - (I) Probation Services Special Fund;
 - (J) Natural Area Reserve Fund; and
 - (K) Public Utilities Commission Special Fund;
- (4) Authorizing the transfer of excess balances contained in the following non-general funds to the general fund for fiscal year 2004-2005 on July 1, 2004:
 - (A) \$900,000 from the Agricultural Loan Reserve Fund;
 - (B) \$500,000 from the Medicaid Investigations Recovery Fund;
 - (C) \$200,000 from the research subaccount of the Tourism Special Fund;
 - (D) \$150,000 from the Human Resources Development Special Fund;
 - (E) \$500,000 from the Environmental Response Revolving Fund; and
 - (F) \$2,000,000 from the Environmental Management Special Fund;
- (5) Lowering the balance ceiling, from \$1,000,000 to \$500,000, for moneys in the Tobacco Enforcement Special Fund that triggers an automatic transfer to the general fund at the end of each fiscal year;
- (6) Providing for the automatic transfer of funds in excess of \$500,000 from the State Parking Revolving Fund to the general fund at the end of each fiscal year;
- (7) Deleting language lowering the balance ceiling, from \$300,000 to \$150,000, for moneys in the Environmental Health Education Fund that triggers an automatic transfer to the general fund at the end of each fiscal year;
- (8) Deleting language that repealed the authority of the Governor, or Director if so delegated by the Governor, to transfer the excess balances of certain special funds to the general fund at any time;
- (9) Changing the effective date to June 30, 2004; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2743, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2743, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takamine, Kawakami, Nakasone and Jernigan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Jernigan).

Conf. Com. Rep. 7-04 on H.B. No. 2796

The purpose of this bill is to maintain the levels of programs that are essential to the public health, safety, and welfare by appropriating \$9,585,765 from the Emergency and Budget Reserve Fund to support various health and human services programs.

Your Committee on Conference has amended this bill by:

- (1) Removing the appropriations for:
 - (a) Dental services at Kauai Community Health Center;
 - (b) The Bridge to Hope Program;
 - (c) The Kaneohe Community Family Center's core services;
 - (d) The Kuhio Park Terrace Family Center's core services;
 - (e) The Blueprint for Change;
 - (f) The Maui AIDS Foundation;
 - (g) The Department of Health for oral health services for underserved children;
 - (h) The Hui Malama Learning Center; and
 - (i) Hawaii FI-DO Service Dogs;
- (2) Changing the appropriations for:
 - (a) The Hana Community Health Center to \$750,000;
 - (b) Behavioral health services for Hana High and Elementary School to be provided by the Hana Community Health Center to \$250,000, provided that funds be matched dollar for dollar by the Department of Education;
 - (c) The Department of Health to provide services to the medically uninsured to \$2,200,000;
 - (d) The Kauai Community Health Center to \$200,000;
 - (e) Kapiolani Medical Center for Women and Children Sex Abuse Treatment Center to \$600,000; and
 - (f) Na Lei Wili Area Health Education Center to \$80,000;
- (3) Inserting appropriations for:
 - (a) The Program for All Inclusive Care in the amount of \$75,000;
 - (b) Parents and Children Together in the amount of \$100,000;
 - (c) The Boys and Girls Club of Hawaii in Papakolea in the amount of \$40,000;
 - (d) The Teen Center at Nanakuli High and Intermediate School in the amount of \$85,000;
 - (e) Continued enrichment and after-school programs at Nanaikapono Elementary School in the amount of \$50,000;
 - (f) The Honolulu Community Action Program in Waianae in the amount of \$25,000;
 - (g) The Weed and Seed Program on the Waianae Coast in the amount of \$25,000;
 - (h) The Honolulu Neighborhood Housing Services in the amount of \$75,000; and
 - (i) Kokua Kalihi Valley Comprehensive Family Services in the amount of \$100,000;and
- (4) Making other technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2796, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2796, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Taniguchi, Kim, Kokubun, Tsutsui and Hemmings.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 2 (Kim, Hemmings).

Representatives Kahikina, Arakaki, Takamine, Kawakami and Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Finnegan).

Conf. Com. Rep. 8-04 on S.B. No. 2525

The purpose of this measure is to repeal the compliance resolution fund and redirect fees to the general fund.

Furthermore, this measure requires the Department of Commerce and Consumer Affairs (Department) to return or discount its fees if the fees collected in the prior year exceed one hundred ten per cent of the attributable costs to the Department. On the other hand, this measure requires the Department to increase its fees to eliminate the shortfall if the fees drop below ninety per cent of the attributable costs to the Department.

Your Committee finds that the special fund known as the compliance resolution fund is a major source of funding for the Department. Eliminating the special fund and having instead general funds be a major source of the Department's funding is necessary to streamline government operations and increase the Department's public accountability.

However, your Committee also finds that ensuring the financial self-sufficiency of the Department will be logistically difficult without a dedicated funding source. As a compromise, your Committee finds that that portion of the compliance resolution fund that is funded through professional and vocational licensing fees can be set aside and retained as a new special fund. Fees unrelated to professional and vocational licensing will continue to be redirected as planned to the general fund.

Your Committee has amended this measure by creating a compliance and regulatory education special fund to be administered by the Director of Commerce and Consumer Affairs. The fund will be financed through professional and vocational licensing fees and related revenues, and will be used for activities related to licensing compliance and regulatory education. Accordingly, your Committee has also amended this measure by:

- (1) Redirecting those professional and vocational licensing fees and related revenues from the general fund to the compliance and regulatory education special fund; and
- (2) Modifying the one hundred ten and ninety per cent triggering mechanisms for the increase or decrease of fees to remove certain listed special or trust funds from the calculation.

Your Committee has further amended this measure by appropriating general funds of \$4,200,000 to the compliance and regulatory education special fund for the professional and vocational licensing program. Finally, your Committee has also specified that the unencumbered balance remaining in the compliance resolution fund on June 30, 2004 will revert to the general fund.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2525, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2525, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kim, Kokubun and Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Trimble).

Representatives Takamine, Kawakami and Nakasone.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 9-04 on S.B. No. 3238

The purpose of this Act is to:

- (1) Implement education reform and decentralization measures;
- (2) Establish a weighted student formula for providing operating moneys to individual public schools.

Your Committee finds that the time has come to enact a public education improvement act of historical importance. Both bodies of this Legislature have labored carefully throughout the Regular Session of 2004 to craft equally ambitious initiatives. Similarly, the ongoing efforts of both bodies addressed the critical need for their measures to be coordinated packages, linking together the weighted student formula, information technology, principals, teachers, students, community involvement, and accountability into a unified whole. Without such a holistic approach, any effort would be far less likely to improve the academic achievement, safety and well being, and civic responsibility of students. To make such an improvement is the motivating force behind this entire measure.

There are three elements in this measure which were common to both the Senate and House versions, which represent major changes in the public educational system. These are the weighted student formula, school community councils, and the transfer of many key functions from various state agencies to the Department of Education.

Under the weighted student formula, the relative cost of educating students can be much more accurately assessed (based upon the unique learning needs of each student), funds follow students to whichever school they attend, and the budget process becomes more transparent.

Your Committee further finds that the charter school community made a collective decision that their funding allocation should not be made under the weighted student formula. Out of respect for this decision, new century charter schools and new century conversion charter schools are excluded from the weighted student formula, although this does not preclude them from coming under the weighted student formula at a future date. Your Committee further finds that the committee on weights may want to consider developing a five year plan by which the percentage of funding allocated under the weighted student formula could be gradually increased over time.

The school community councils, which will be established at each public school, excluding new century charter schools and new century conversion charter schools, will work together with the principal regarding the school's academic and financial plans, as well in other areas to improve the school. Although this will significantly enhance community involvement in schools, principals will still remain empowered to exercise the authority they must legitimately retain if they are to be held accountable for school performance. To empower principals in their enhanced role as educational leaders, a Hawaii Principals Academy will be established to provide the necessary support and training.

Both the Senate and the House of Representatives also agreed upon the need to transfer a number of important functions carried out by other state agencies for the Department of Education to the department, to enhance autonomy and operating efficiency.

Your Committee has amended existing provisions in the measure by:

- (1) Structuring the Teacher National Board Certification Incentive Program so that \$1,500 shall be provided upon completing the certification program of the National Board for Professional Teaching Standards and providing the remainder of the application fee reimbursement upon achieving national board certification;
- (2) Expanding the contents of a report from the Department of Education to the next Legislature to encompass all of the salient elements affected by the implementation of this measure, rather than just the weighted student formula;
- (3) Appropriating \$2,500,000 for mathematics textbooks and other mathematics learning materials in schools, provided that mathematics curriculum is aligned within the school complex, instead of \$3,000,000 for textbooks in general;
- (4) Refining those key functions to be transferred from specified state agencies by particular dates to facilitate a smooth delinking process; and
- (5) Reinstating original statutory language allowing for the carryover of funds within the budget of the schools to which they were originally allocated, and reducing the Department of Education's carry over of funds from ten to five percent.

Your Committee has also amended the measure by adding the following new provisions:

- (1) Requiring the Department of Education to provide supplementary allocations to those schools whose budgets are adversely affected by the weighted student formula for no more than three years beginning with the 2006-2007 school year;
- (2) Appropriating \$2,000,000 to the Department of Education to facilitate field support, security and privacy for the telecommunications network, and training regarding information technology infrastructure used to enhance accountability, compliance with the federal No Child Left Behind Act of 2001, and implementation of school reform including the weighted student formula;
- (3) Appropriating \$400,000 to compensate principals recalled to work by the department, outside of their regular term of service, for professional development and any other activities that may enhance their effectiveness as leaders of their schools;
- (4) Appropriating \$100,000 for programs that support parents in working with students who need additional help to succeed in school, provided the programs have measurable outcomes;
- (5) Appropriating \$400,000 for the piloting of school community councils and development of academic and financial plans at selected schools prior to the statewide implementation of the weighted student formula;
- (6) Requiring the:
 - (A) Department of Education, with the invited participation of the exclusive bargaining agent of educational officers of the Department of Education, to propose salary schedules and other terms and conditions of employment of principals and vice principals based upon a twelve-month term of service, and report findings back to the Legislature; and
 - (B) Board of Education to classify all educational officer positions of the Department of Education to adopt two separate classification/compensation plans for educational officers, one for principals and vice principals (based on the general pattern of a school administrator's career development and associated school administrator's qualification requirements)

and one for all other educational officers (reflective of the career development pattern and qualification requirements for the respective professional field of expertise), and including classification appeals procedures for both;

- (7) Appropriating \$500,000 for teacher education faculty positions at the University of Hawaii College of Education;
- (8) Clarifying and refining the operational aspects of the component parts of this comprehensive reform initiative;
- (9) Coming to agreement on appropriation figures; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3238, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3238, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Chun Oakland, Hooser, Kawamoto, Kokubun, Tsutsui and Hogue.
Managers on the part of the Senate.
Ayes, 7. Noes, 1 (Hogue). Excused, none.

Representatives Takumi, M. Oshiro, Takai, Hamakawa, Takamine and Ching.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 10-04 on H.B. No. 1294

The purpose of this bill is, among other things, to:

- (1) Address problems related to environmental assessments and impact statements by clarifying the roles planning departments have in processing and accepting these documents; and
- (2) Close loopholes in the review process by including proposals for any wastewater facility, except an individual wastewater system, waste-to-energy facility, landfill, oil refinery, or power-generating facility.

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

- (1) Revising its purpose section;
- (2) Amending the definition of "power-generating facility" to require that the facility be fueled by fossil fuels;
- (3) Exempting actions that propose an individual wastewater system or wastewater facility serving fewer than 50 single-family dwellings or the equivalent from the need for an environmental assessment;
- (4) Removing the provision that addresses the potential conflict of interest that may exist when the proposing agency and the agency making the determination on whether an environmental impact statement is necessary are the same;
- (5) Removing the provision requiring the Office of Environmental Quality Control to determine which agency shall prepare the environmental assessment and accept the final statement when a dispute arises over which agency shall be the accepting authority; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1294, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1294, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Morita, Nakasone, Evans and Bukoski.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Bukoski).

Conf. Com. Rep. 11-04 on H.B. No. 2061

The purpose of this bill is to:

- (1) Remove the cap on deposits into the convention center enterprise special fund;
- (2) Change the percentage of transient accommodations tax (TAT) revenues to be deposited into the Tourism Special Fund (TSF);
- (3) Establishes an Aloha Aina Patrol in each county, the operational expenses of which are to be funded by \$1,000,000 from the TSF and up to \$1,000,000 from the Hawaii Tourism Authority;
- (4) Raises the cap on TAT revenue deposits into the TSF to \$63,292,000 in any fiscal year; and
- (5) Changes the percentage of TAT revenues to be deposited into the TAT trust fund.

Your Committee finds that establishment of an Aloha Aina Patrol will address the crime problem in areas of high tourist traffic while spreading the message of the aloha spirit, by:

- (1) Staffing the patrols with police service employees and cadets in aloha attire, who will serve as ambassadors of aloha; and
- (2) Creating additional security patrols geared toward beaches and parks where there have been too many incidents of crime against visitors and residents.

Your Committee notes that the current projections of the Council on Revenues indicate the total amount of TAT revenues collected by the State will increase approximately \$8,000,000 over previous projections. Therefore, this bill redistributes the percentage of TAT revenues being given to each county to fund the Aloha Aina Patrol. With the anticipated increase in TAT revenues, the counties will still realize a net increase in TAT revenues, while reaping the benefits of the increased police support.

Your Committee has amended this bill by:

- (1) Restoring the \$31,000,000 cap on TAT revenues to be deposited into the convention center enterprise special fund, with the excess to be deposited into the general fund;
- (2) Restoring the 32.6 percent of TAT revenues to be deposited into the TSF;
- (3) Changing the funding method for the Aloha Aina Patrol by:
 - (a) Restoring the \$62,292,000 cap on the TSF; and
 - (b) Changing the percentage of TAT revenues going to each county to allow 1.3 percent of 44.8 percent of TAT revenues to support the Aloha Aina Patrol;
- (4) Restoring the TAT trust fund, and the 5.3 percent of TAT revenues to be deposited into it;
- (5) Deleting the section appropriating funds from the TSF for the Aloha Aina Patrol; and
- (6) Changing the effective date to July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2061, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2061, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Chang, Takamine, Karamatsu and Ontai.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 12-04 on H.B. No. 1840

The purpose of this bill is to allow the Department of Health to adopt rules necessary to control fugitive dust, both within and beyond a property lot boundary line, regardless of whether the emissions enter the ambient air.

Your Committee on Conference has amended this bill by:

- (1) On page 1, line 13, changing "property boundary line" to "property lot boundary line";
- (2) On page 1, line 16, changing "property lot line boundary line" to "property lot boundary line"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1840, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1840, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, English, Hooser and Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hooser).

Representatives Morita, Waters, Evans and Bukoski.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Waters).

Conf. Com. Rep. 13-04 on H.B. No. 1793

The purpose of this bill is to preserve agricultural lands, water resources, and community stability by directing the Board of Land and Natural Resources (BLNR) and other appropriate state agencies to enter into negotiations for the exchange of public lands for private lands north of Wahaiwa, Oahu, owned by the George Galbraith Trust (Trust).

Your Committee on Conference recognizes that the value of the Trust lands is in the tens of millions of dollars, and while its acquisition is desirable, it may exceed the State's ability to purchase or offer lands in exchange. BLNR and other appropriate state agencies are, therefore, requested to explore the feasibility of incrementally acquiring through a land exchange those Trust lands that are deemed to be of the highest priority to the State.

Your Committee on Conference has amended this bill by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1793, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1793, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Aduja, Kokubun and Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Kanoho, Magaoay, Kaho`ohalahala and Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 14-04 on S.B. No. 3135

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in the amount of \$85,000,000 to assist St. Francis Healthcare System of Hawaii to finance the construction, improvement, and equipment of health care facilities.

Your Committee on Conference finds that the activities and facilities of St. Francis Healthcare System of Hawaii provide invaluable health care services to the general public. Your Committee on Conference places a high priority on ensuring the public welfare by supporting nonprofit health care facilities like the St. Francis Healthcare System of Hawaii.

Your Committee on Conference has amended this measure by correcting the defective effective date of July 1, 2010, and making the measure effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3135, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3135, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Chun Oakland and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Kawakami, Karamatsu, Mindo and Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 15-04 on H.B. No. 2578

The purpose of this bill is to promote the use of alternative energy resources by authorizing the issuance of special purpose revenue bonds for Honolulu Seawater Air Conditioning LLC for the design and construction of a seawater air conditioning/thermal energy storage district cooling system on the island of Oahu.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2004; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2578, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2578, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Kokubun, Hooser, Taniguchi and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

Representatives Waters, Shimabukuro, Kaho`ohalahala, Karamatsu and Jernigan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Jernigan).

Conf. Com. Rep. 16-04 on H.B. No. 2322

The purpose of this bill is to authorize the issuance of special purpose revenue bonds (SPRBs) to assist Aloun Farms in the planning, design, construction, and equipping of facilities for an agricultural processing plant.

Your Committee on Conference has amended this bill by:

- (1) Authorizing the issuance of SPRBs in a total amount not to exceed \$12,000,000; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2322, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2322, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Espero, Kanno and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Kanno, Whalen).

Representatives Karamatsu, Mindo, Wakai and Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. 17-04 on H.B. No. 1828

The purpose of this bill is to prohibit public urination and defecation in the downtown Honolulu area.

Your Committee on Conference finds that although public urination and defecation may be of general concern, they are concentrated in the downtown area.

Your Committee on Conference has amended this bill by:

- (1) Providing a boundary description of the downtown Honolulu area;
- (2) Increasing from eight hours to forty hours the maximum amount of community service work that may be imposed for the offense; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1828, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1828, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Fukunaga and Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Fukunaga).

Representatives B. Oshiro, Hamakawa and Pendleton.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 18-04 on H.B. No. 2022

The purpose of this bill is to clarify eligibility requirements for individuals with disabilities who receive general assistance benefits. The bill also gives a person 10 days to provide additional medical information following an initial denial notice of disability before denial of the claim.

Currently, an applicant wishing to receive benefits must apply for assistance under either a physical or mental disability. Because there is no consideration of both physical and mental disabilities, an applicant with a combined disability will only be granted assistance if the physical or mental disability alone meets the criteria for disability. This bill allows an applicant with both physical and mental disabilities to be eligible for general assistance.

Your Committee on Conference has deleted the requirement that:

- (1) Repeals the provisions of this bill on July 1, 2007; and
- (2) Reenacts the affected statute to the form in which it read on the day before the effective date of this bill.

Technical, nonsubstantive amendments to the bill have also been made for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2022, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2022, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Kokubun, Tsutsui and Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Kokubun).

Representatives Kahikina, Arakaki, Kawakami, Shimaburo and Stonebraker.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Kawakami, Stonebraker).

Conf. Com. Rep. 19-04 on S.B. No. 3207

The purpose of this measure is to:

- (1) Change the ethanol investment tax credit to the ethanol facility tax credit (EFTC);
- (2) Allow the EFTC only:
 - (a) If the amount of the EFTC claimed does not exceed one hundred per cent of the investment amount;
 - (b) In years that the ethanol production facility is operating at seventy-five per cent of nameplate capacity or more;
 - (c) If the facility is in production on or before January 1, 2012; and
 - (d) If no other tax credits for the same taxable year are claimed if the EFTC is claimed;
- (3) Clarify the definitions for "credit period," "investment," "nameplate capacity," and "qualifying ethanol production facility" or "facility";
- (4) Delete the definition for "maximum annual credit allowable" and fold the definition of "qualifying ethanol production" into "qualifying ethanol production facility";
- (5) Require the Department of Business, Economic Development, and Tourism (DBEDT) to maintain records pertaining to the EFTC and issue certificates verifying investment amounts, credit amounts, and cumulative tax credit amounts;
- (6) Place a cap of \$12,000,000 in the aggregate for all credits certified by DBEDT in any year;
- (7) Require all information pertaining to the EFTC to be available to the public under chapter 92F, Hawaii Revised Statutes;
- (8) Allow partnerships, S corporations, estates, and trusts to claim the EFTC; and

- (9) Provide the Director of Taxation the authority to audit and adjust the certification of the credits.

Your Committee on Conference believes the EFTC will have a beneficial impact on the State's economy by encouraging the construction of large-scale ethanol production facilities and reducing the State's dependence on fossil fuels. By promoting large-scale production of ethanol, the EFTC will create new jobs in a growing alternative fuels industry. The increased need for organic feedstocks and waste materials to meet the demands of large-scale ethanol production will have a beneficial effect on the agriculture industry as well.

It is the intent of your Committee on Conference that the calculation of the amount of the EFTC be based on a percentage of the production capability of a qualifying ethanol production facility, based on a one dollar for one gallon equivalency conversion, to encourage maximum nameplate capacity for that facility. For example, a qualifying ethanol production facility that has a nameplate capacity of ten million gallons of ethanol in a given year will be entitled to claim an EFTC of three million dollars (thirty percent of ten million) for that taxable year.

Your Committee on Conference amended the measure by:

- (1) Specifying that the annual dollar amount of the credit shall be equal to thirty percent of the qualified facility's nameplate capacity if that capacity is greater than five hundred thousand but less than fifteen million gallons;
- (2) Restoring the definition of "qualifying ethanol production" in section 235-110.3, Hawaii Revised Statutes, with an amendment to the types of qualifying production methods;
- (3) Deleting the additional language to the definition of "qualifying ethanol production facility" that pertains to ethanol production methods;
- (4) Making the measure effective on July 1, 2004, and applicable to taxable years beginning after December 31, 2003; and
- (5) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3207, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3207, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Kokubun, Taniguchi and Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Trimble).

Representatives Morita, Waters, Kaho'ohalahala and Bukoski.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Kaho'ohalahala).

Conf. Com. Rep. 20-04 on H.B. No. 1860

The purpose of this bill is to allow taxpayers to designate \$5 of state income tax refunds for any taxable year to the Hawaii Children's Trust Fund, Domestic Violence Prevention Special Fund, and the Department of Human Services' and the Judiciary's respective Spouse and Child Abuse Special Accounts.

Your Committee on Conference notes that domestic violence is a serious concern, and children in Hawaii are entering the child protective services system at alarming rates. Children who are not abused directly may still suffer trauma after witnessing domestic violence. This measure will provide additional revenue to enhance prevention and intervention services, in addition to increasing community awareness regarding domestic violence and child abuse.

Your Committee on Conference has amended this bill by:

- (1) Making the bill effective upon approval, and applicable to taxable years beginning after December 31, 2004; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1860, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1860, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Fukunaga, Inouye, Kanno, Kawamoto, Kokubun and Hogue.
Managers on the part of the Senate.
Ayes, 6. Noes, none. Excused, 2 (Kanno, Kokubun).

Representatives Kahikina, Shimabukuro, Hale and Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 21-04 on H.B. No. 1774

The purpose of this bill is to encourage eligible claimants of unemployment insurance to seek gainful employment by permitting claimants to receive their weekly benefit amount without regard to earnings received from employment. In addition, this bill allows federal Reed Act funds to be used to offset anticipated increases in unemployment insurance claims.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date from July 1, 2040, to July 1, 2004; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1774, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1774, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun and Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives M. Oshiro, Takamine, Nakasone and Bukoski.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Bukoski).

Conf. Com. Rep. 22-04 on H.B. No. 2741

The purpose of this bill is to establish position justification requirements and provide for legislative review of deputy director and special assistant positions within the Executive Branch.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the position justification requirements and legislative review procedures shall apply to all deputy director and special assistant positions except for those positions in the Department of Education or the University of Hawaii;
- (2) Eliminating language that exempted positions listed in section 76-16(b), Hawaii Revised Statutes, from the position justification requirements and legislative review procedures;
- (3) Deleting references to "deputy superintendent" and "assistant superintendent" from the definitions of "deputy director" and "special assistant"; and
- (4) Making technical, nonsubstantive revisions for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2741, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2741, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kokubun, Tsutsui and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives M. Oshiro, Takamine, Nakasone and Mindo.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 23-04 on S.B. No. 2586

The purpose of this measure is to allow the Board of Dental Examiners to issue a community service license for an eligible dentist or dental hygienist for the purpose of servicing low-income and uninsured communities within the State.

Your Committee on Conference finds that access to dental care for low-income or uninsured individuals within the State is severely limited. Currently, there are a small handful of non-profit federally qualified health centers in Hawaii which offer dental clinic services. Your Committee on Conference further finds that increasing the pool of qualified dentists and dental hygienists increases access to basic dental services by the poor and uninsured.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement that renewal requests be submitted sixty days prior to expiration;
- (2) Deleting the provision for a maximum of five consecutive years for renewal of a license;
- (3) Providing that no person after the effective date of the new law who has failed to pass the dental license examination may be issued a community service dental license;
- (4) Repealing the Act on July 1, 2009, so the Legislature will have an opportunity to review the effectiveness of the community service license; and
- (5) Clarifying the language in the purpose section.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2586, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2586, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Menor, Chun Oakland, Inouye and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Inouye).

Representatives Arakaki, Hiraki, Herkes and Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 24-04 on S.B. No. 2948

The purpose of this measure is to statutorily establish the Public Health Nursing Services Program and prescribe its scope of services.

Your Committee on Conference finds that the Public Health Nursing Services Program delivers an array of invaluable health services to the residents of the State and should be formally established in law.

Your Committee on Conference has amended this measure by:

- (1) Deleting the examples listed for a natural disaster; and
- (2) Correcting the defective date and making it effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2948, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2948, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kokubun, Kanno and Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Kanno).

Representatives Arakaki, Nishimoto, Shimabukuro and Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 25-04 on S.B. No. 2608

The purpose of this measure is to extend the sunset date of the payment methodology for critical access hospitals to June 30, 2006 and making permanent the exemption of critical access hospitals from Medicaid reimbursement equity.

Upon further discussion, your Committee has amended this measure by repealing the sunset date of Act 226, Session Laws of Hawaii 2000. Consequently, the amendments make the following permanent:

- (1) Payment methodology to critical access hospitals using medicare reasonable cost principles;
- (2) Definition of "critical access hospital"; and
- (3) Exemption of critical access hospitals from medicaid reimbursement equity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2608, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2608, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Taniguchi, Fukunaga, Hooser, Inouye and Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Inouye, Trimble).

Representatives Arakaki, Kahikina, Kawakami and Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. 26-04 on S.B. No. 2929

The purpose of this measure is to amend the effective start date for the revised reimbursement methodology for long-term care services to July 1, 2008, and eliminate the sunset provision regarding critical access hospitals.

Your Committee has amended this measure to correct its effective date to June 29, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2929, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2929, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Taniguchi, Inouye, Kim, Kokubun, Tsutsui and Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 3 (Inouye, Kim, Tsutsui).

Representatives Kahikina, Arakaki, Kawakami and Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Finnegan).

Conf. Com. Rep. 27-04 on H.B. No. 1259

The purpose of this bill is to update Article 1 of the Uniform Commercial Code. Article 1, entitled "General Provisions," covers such matters as supplemental principles of law, general definitions, territorial applicability, and choice of laws.

The amendment of the definition of "good faith" and the amendments concerning the choice of laws, which were proposed by the National Conference of Commissioners on Uniform State Laws, are not included. In these two cases, the current law is retained.

Your Committee on Conference has amended this bill by:

- (1) Removing the defective effective date and making the bill effective upon approval; and
- (2) Making technical, nonsubstantive amendments to page 19 of the bill that include the deletion of an unnecessary reference to Article 6, which was repealed in 1998.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1259, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1259, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hiraki, Herkes, Sonson, Souki and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Souki).

Conf. Com. Rep. 28-04 on H.B. No. 2020

The purpose of this bill is to:

- (1) Make it a class C felony to sell or offer to sell travel services promoting prostitution; and

- (2) Include these activities on the list of prohibited acts for which travel agency registration may be revoked, suspended, or denied renewal.

Your Committee on Conference finds that establishing a new offense of promoting travel for prostitution recognizes that travel businesses should be held accountable for their roles, if any, in encouraging prostitution and the consequent abuse and exploitation of women.

Your Committee on Conference has amended this bill by:

- (1) Clarifying the meaning of “travel services” as used in the new offense of promoting travel for prostitution;
- (2) Deleting the rebuttable presumption that advertisements that include:
 - (a) The terms “sex tours” or “sex travel”; or
 - (b) Depictions of genitalia;
 are prohibited acts for which travel agency registration may be revoked, suspended, or denied renewal;
- (3) Removing amendments that would have added references to promoting travel for prostitution to section 712-1201, Hawaii Revised Statutes, which defines terms related to promoting prostitution; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2020, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2020, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Fukunaga, Inouye and Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Trimble).

Representatives B. Oshiro, Caldwell, Sonson and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 29-04 on H.B. No. 2013

The purpose of this bill is to restrict the use of polybrominated diphenyl ethers (PBDEs) in the State by prohibiting the manufacturing, processing, or distribution of products containing more than 0.1% of pentabrominated diphenyl ether (pentaBDE) or octabrominated diphenyl ether, beginning 2006.

Your Committee on Conference has amended this bill by:

- (1) Removing the definition of “PBDE,” since there is no reference to that term in the statutory additions;
- (2) Adding a definition for “pentaBDE;”
- (3) Clarifying that the restriction on the manufacturing, processing, or distribution in commerce of pentaBDE and octaBDE applies likewise to any other chemical formulation that is part of those classifications; and
- (4) Making technical, nonsubstantive amendments for style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2013, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2013, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Menor, Hooser and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Morita, Hiraki, Herkes, Waters and Bukoski.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Waters and Bukoski).

Conf. Com. Rep. 30-04 on S.B. No. 2748

The purpose of this measure is to amend the drug demand reduction assessment provisions by:

- (1) Expanding the offenses for which an offender must pay the drug demand reduction assessment used to fund substance abuse treatment and demand reduction programs;
- (2) Providing that restitution to the victim, probation fees, and crime victim compensation fees shall be made before payment of monetary assessments; and
- (3) Permitting the courts to order offenders to treatment and to reduce or waive monetary assessments.

After careful consideration, your Committee on Conference has amended this measure by changing the effective date to June 29, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2748, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2748, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Chun Oakland and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Hamakawa, Takamine, B. Oshiro and Pendleton.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 31-04 on S.B. No. 2840

The purpose of this measure is to prohibit the distribution of untaxed cigarettes by mail order, the internet, or other on-line sources and to limit the supersedeas bond amount for tobacco master settlement signatories to ensure their ability to continue to make settlement payments.

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

- (1) Adding a purpose section to outline the contents of the entire measure;
- (2) Amending the effective date to July 1, 2004; and
- (3) Making technical, nonsubstantive changes for clarity, style, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2840, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2840, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, English, Kokubun and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Kokubun).

Representatives Hamakawa, Takamine, Nakasone and Pendleton.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 32-04 on S.B. No. 2861

The purpose of this measure is to establish:

- (1) Specific felony offenses that may use information charging;
- (2) Procedures for using information charging; and
- (3) Procedures to contest the information charge.

After careful consideration, your Committee on Conference has amended this measure by changing the effective date to upon the date the Chief Election Officer under section 11-156, Hawaii Revised Statutes, certifies that the State Constitution has been amended to allow felony criminal charges to be initiated by the filing of a written information. Your Committee on Conference has also amended this measure by making technical, nonsubstantive amendments for purposes of clarity, style, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2861, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2861, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, English and Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hogue).

Representatives Hamakawa, Waters, B. Oshiro, Sonson and Thielen.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 33-04 on S.B. No. 3113

The purpose of this measure is to propose an amendment to article V, section 6, of the Constitution of the State of Hawaii to provide for the election of the Attorney General and the Insurance Commissioner.

Your Committee on Conference has amended this measure by replacing the entire contents of the measure with the provisions of S.B. No. 3113, S.D. 1. The Conference draft of the measure allows absentee ballots to be mailed to residents of Kalaupapa automatically, without the need to file an absentee-ballot application.

The C.D. 1 would allow Kalaupapa residents to fully enjoy the right to vote, due to their geographical isolation which makes normal absentee voting procedures onerous.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3113, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3113, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hamakawa, B. Oshiro, Caldwell and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 34-04 on H.B. No. 1765

The purpose of this bill is to provide for expiration of the term of a member of a state board, commission, agency, authority, or committee who, without valid excuse, fails to attend three consecutive meetings where a quorum cannot be achieved because of the member's absence.

Your Committee on Conference has amended this measure by:

- (1) Providing that in the absence of the chair, the board's acting chair shall determine whether a member's absence is excused; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1765, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1765, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Hanabusa, Espero and Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Espero).

Representatives B. Oshiro, Caldwell, Souki and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Souki).

Conf. Com. Rep. 35-04 on H.B. No. 2254

The purpose of this bill is to:

- (1) Clarify the definition of "sexual penetration" to include the acts of cunnilingus and anilingus, whether or not actual penetration has occurred;
- (2) Include as a victim of sexual assault in the second degree, a person committed to the director of public safety and knowingly subjected to sexual penetration; and
- (3) Amend the offense of sexual assault in the third degree to include law enforcement officers who knowingly subject to sexual contact a person confined to a detention facility or in custody.

Your Committee on Conference finds that:

- (1) The definition of sexual penetration should include the acts of cunnilingus or anilingus, regardless of whether there was actual penetration; and
- (2) This measure creates uniformity between the offenses of sexual assault in the second degree and in the third degree regarding the aforementioned offenders and victims.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2254, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2254, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Kawamoto and Hogue.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Kawamoto).

Representatives B. Oshiro, M. Oshiro, Caldwell, Sonson and Pendleton.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (M. Oshiro, Pendleton).

Conf. Com. Rep. 36-04 on H.B. No. 2683

The purpose of this bill is to:

- (1) Preclude deferred acceptance of guilty (DAG) and deferred acceptance of nolo contendere (DANC) pleas for offenses involving substantial bodily injury; and
- (2) Add new subsections to section 853-4, Hawaii Revised Statutes, expanding the offenses for which DAG and DANC pleas do not apply.

Your Committee on Conference finds that revising the statute regarding DAG and DANC pleas to make the relief available only for a few offenses is a radical departure in policy, and that DAG and DANC pleas should be allowed except for specific offenses.

Your Committee on Conference has amended this bill by deleting its contents and inserting provisions precluding DAG and DANC pleas for offenses involving substantial bodily injury.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2683, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2683, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Fukunaga, Ihara and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives B. Oshiro, Hamakawa, Caldwell and Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Finnegan).

Conf. Com. Rep. 37-04 on S.B. No. 3025

The purpose of this measure is to require the Office of Planning to report to the Director of Business, Economic Development, and Tourism and to clarify that the Department of Business, Economic Development, and Tourism has sole jurisdiction over the Land Use Commission, state planning, and the Hawaii State Planning Act.

Your Committee on Conference believes that clarifying the roles of the Office of Planning and the Department of Business, Economic Development, and Tourism is necessary to ensure that the legislatively determined functions of those entities are not altered

without prior action by the Legislature. It is the intent of your Committee on Conference that this measure shall not affect the Office of Planning's historical or coastal zone management programs, and that the Office of Planning shall continue to communicate freely with and assist all state departments in all planning-related issues.

Your Committee on Conference amended the measure by correcting the defective effective date of July 1, 2010 and making the measure effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3025, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3025, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Fukunaga, Kokubun, Espero, Kanno and Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Kanno, Whalen).

Representatives Kanohe, Takamine, Kaho'ohalahala and Kawakami.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 38-04 on H.B. No. 1770

The purpose of this bill is to:

- (1) Increase fines for repeatedly allowing a car alarm to sound for longer than five continuous minutes; and
- (2) Provide courts with the discretion to order the revocation of an individual's driver's license, for a period not to exceed five years, when the individual operates a motor vehicle at a speed exceeding 90 miles per hour.

Your Committee on Conference finds that although car alarms were made to deter auto theft and vandalism, the proliferation of false alarms have decreased their effectiveness. Moreover, the incessant wailing of an inadvertently triggered car alarm has become a nuisance in many neighborhoods on Oahu.

In addition, your Committee on Conference finds that accidents involving high speed are occurring far too often. Many of these accidents, especially those which have occurred in the past several months, have caused numerous fatalities. This measure addresses the occurrence of extreme speeding on our roads.

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

- (1) Changing the effective date to July 1, 2004; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1770, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1770, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Hanabusa, Espero and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Souki, Hamakawa, Nishimoto, Wakai and Blundell.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 39-04 on H.B. No. 2023

The purpose of this bill is to provide that, on an appeal by an aggrieved public assistance applicant or recipient, all of the evidence presented by the parties shall be considered, as allowed by chapter 91, Hawaii Revised Statutes.

At earlier hearings concerns were raised by the Legal Aid Society of Hawaii and the Disability Rights Center which reflected their perception that the opinion of the Medical Review Board was being given undue deference. Your Committee on Conference wishes to reiterate that all evidence which is properly admitted before the hearing officer is to be considered on its own merits as the hearing officer deems fair and appropriate. The function of the hearing officer is to exercise independent judgment and to arrive at a determination of which item of evidence the hearing officer believes is more persuasive.

While the hearing officer may choose in any given case to agree with the opinion of the Medical Review Board or to agree with a contrary opinion held by another physician or psychologist, your Committee on Conference feels that it is important that each case be

decided fairly and independently and that no preconceived additional deference be afforded to the Medical Review Board. To clarify this intent, the words "fair and impartial" have been added to the measure.

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

- (1) Clarifying that the evidence presented by the parties shall be considered in a fair and impartial manner; and
- (2) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2023, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2023, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Fukunaga, Hooser and Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

Representatives Kahikina, Hamakawa, Shimabukuro and Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 40-04 on H.B. No. 2674

The purpose of this bill is to exempt disclosure of social security numbers from government public records, and to restrict retail merchant club card issuers from requesting personal information except for credit purposes.

Specifically, this measure:

- (1) Ensures that social security numbers are exempt from disclosure in payroll records that are otherwise public records;
- (2) Prohibits retail merchant club card issuers from requesting personal information in club card application forms except for credit, check cashing, or check verification; and
- (3) Allows retail merchant club card issuers to share cardholder information, including personal information, for marketing purposes if the issuer complies with established procedures and permits the cardholder to opt-out from sharing the information.

Your Committee on Conference finds that identity theft is a serious problem in Hawaii. Most consumers are unaware of the amount of personal information, such as a social security number, that is collected about them. Consumers are also unaware that such information is shared with other business entities with whom they have no business relationship. One method of curtailing opportunities for identity theft is by protecting personal information from being collected and disseminated without a sound business purpose that benefits the consumer.

Your Committee also finds that while government should provide access to public information, access to documents containing an individual's social security number should be protected from disclosure.

Your Committee received additional correspondence from Costco Wholesale Corporation and after discussion with Costco, has amended this bill by:

- (1) Defining "cardholder information" to mean name, mailing address, email address, and unique membership identifiers assigned by the club card issuer, to clarify and limit the type of information that may be shared with an unaffiliated third party for marketing purposes if the club card issuer complies with certain requirements;
- (2) Defining "personal information" to mean information associated with a person that includes social security number, driver's license, account numbers, or other personal identifiers;
- (3) Clarifying that the restrictions on requesting personal information in a club card application do not apply when the application form is used for club card membership and privileges for check cashing, check verification, or credit, provided that no club card issuer shall require, as a condition of obtaining a club card, that the cardholder obtain the club card as an identification card for check cashing or credit;
- (4) Clarifying that the club card issuer may use the application form as an application for a credit card with a designated credit card company provided that the credit application is separately identified and discloses that the cardholder is applying for credit with a designated credit card company;
- (5) Amending the effective date to ensure that the section of this bill relating to retail merchant club cards will not take effect until July 1, 2005; and
- (6) Making technical, nonsubstantive amendments for consistency, style, and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2674, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2674, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Menor, Chun Oakland, Espero and Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Espero, Slom).

Representatives Hamakawa, Hiraki, Herkes, Caldwell and Thielen.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 41-04 on H.B. No. 2739

The purpose of this bill is to authorize the High Technology Development Corporation (HTDC) to issue up to \$100,000,000 in special purpose revenue bonds to assist Townsend Capital, LLC, in constructing wet lab space and a biotech incubator near the University of Hawaii medical school in Kakaako.

Upon review of the appropriate statutory requirements for bond issuance through HTDC, your Committee on Conference has amended this measure by:

- (1) Correcting the statutory authorization for issuing these special purpose revenue bonds from part V, chapter 39A, Hawaii Revised Statutes (HRS), to part I, chapter 206M, HRS;
- (2) More comprehensively describing the uses for this issuance to include acquisition, improvement, installation, equipping, and development of land, buildings, and other improvements relating to the wet lab space and the biotech incubator;
- (3) Specifically referencing the appropriate constitutional provisions relevant to this issuance;
- (4) Deleting language specific to the issuance of tax-exempt refunding bonds to allow for flexibility in the issuance to Townsend Capital, LLC;
- (5) Specifying that Townsend Capital, LLC, is a Maryland limited liability company;
- (6) Changing the effective date to upon its approval; and
- (7) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2739, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2739, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Taniguchi, Aduja, Fukunaga, Kokubun and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Aduja, Hemmings).

Representatives Nakasone, Wakai, Karamatsu, Waters and Moses.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 42-04 on S.B. No. 2908

The purpose of this measure is to clarify ambiguities and correct errors and inconsistencies in the State's business registration laws.

This measure is a general housekeeping measure that clarifies ambiguities and corrects errors and inconsistencies in the business registration laws that have occurred due to changes in division policies and procedures, and drafting errors. Your Committee on Conference finds that this measure updates and improves the efficiency of Hawaii's business registration procedures, and promotes a more business friendly climate in the State.

Your Committee on Conference has amended this measure by:

- (1) Amending section 414-163(c), Hawaii Revised Statutes (HRS), to:
 - (a) Permit the disclosure of a shareholder agreement by conspicuously noting its existence in a corporation's articles of incorporation;

- (b) Require the recall of certificates that are outstanding at the time the agreement is executed and the issuance of substitute certificates therefor, if the agreement's existence is not noted in a corporation's articles of incorporation; and
 - (c) Preclude the rescission of a purchase of shares based on the lack of knowledge of an agreement if the existence thereof is noted in a corporation's articles of incorporation or, if not so noted, is disclosed in an information statement delivered to the purchaser prior to or at the time of purchase; and
- (2) Making technical amendments:
- (a) That effect revisions to the trade name certificate of registration law by amending section 482-3, HRS, in lieu of amending section 12 of Act 210, Session Laws of Hawaii 2003, and by deleting the effective date proviso applicable to the latter; and
 - (b) For purposes of style, clarity, and consistency, and to reflect preferred drafting style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2908, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2908, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Baker, Espero and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Schatz, Hiraki, Herkes and Ontai.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ontai).

Conf. Com. Rep. 43-04 on S.B. No. 2377

The purpose of this measure is to add digital recordation to the type of record covered by the crime of violation of privacy. The measure also:

- (1) Prohibits unauthorized interception and divulging of photographic images by phone; and
- (2) Defines the terms "electronic communication," "electronic communication service," "electronic communication service provider," "remote storage service," and "electronic communication system."

This measure exempts electronic communication service providers and remote storage services that disseminate, distribute, or transfer images in the ordinary course of business from the offense of violation of privacy.

This measure makes statutory amendments to the existing privacy law in order to prohibit the inappropriate use of new digital technologies, such as cellular phones, that are capable of taking digital photographs and transmitting those images.

Your Committee has amended this measure by making a technical non-substantive amendment.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2377, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2377, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Hanabusa, Fukunaga and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Schatz, B. Oshiro, Hamakawa and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 44-04 on S.B. No. 2380

The purpose of this measure is to authorize the establishment of the State Art Museum and a nonprofit organization called the Friends of the Hawaii State Art Museum to assist in the work of the Museum.

This measure also incorporates the Art in Public Places and Relocatable Works of Art programs into the duties and responsibilities of the State Foundation on Culture and the Arts.

Your Committee has amended this measure by making technical, non-substantive amendments and changing the effective date of the measure to take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2380, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2380, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Taniguchi, Fukunaga, Kokubun and Hemmings.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Kokubun).

Representatives Chang, Karamatsu, Wakai and Bukoski.

Managers on the part of the House.

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

Conf. Com. Rep. 45-04 on S.B. No. 3156

The purpose of this measure is to appropriate funds for the professional development and training of Hawaii's paramedics.

Specifically, funding would be used toward a development and training instructor for Kauai, a video conference system to connect Kauai, Maui, and Hawaii with emergency medical services instruction on Oahu, and paramedic training equipment for Kauai, Maui, and Hawaii.

Your Committee on Conference has amended this measure by deleting its contents and replacing it with language that clarifies state immunity for the discretionary function of providing emergency aeromedical services. Specifically, this measure provides that the State shall not be liable for claims based on the failure to establish or continue emergency aeromedical services in every county of the State.

Your Committee on Conference notes that both the Senate President and House Speaker waived conference rule 1a to allow your Committee to consider language not originally part of this measure. This measure was used as a vehicle to address the Governor's concern regarding liability arising from the enactment of Senate Bill 745 as Act 2, Session Laws of Hawaii, Special Session, 2003.

The contents of the original version of this measure are addressed in Senate Bill 2690 SD2 HD2, whereby funds generated from a new emergency medical services special fund would support, among other items, a development and training instructor for Kauai, a video conference system to connect Kauai, Maui, and Hawaii with EMS instruction on Oahu, and for paramedic training equipment for Kauai, Maui, and Hawaii.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3156, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3156, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kokubun, Hooser, Taniguchi, Tsutsui and Hogue.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Hogue).

Representatives Takamine, Arakaki, Hamakawa, Kawakami, Nishimoto and Bukoski.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, 1 (Kawakami).

Conf. Com. Rep. 46-04 on S.B. No. 3085

The purpose of this measure is to remove the June 30, 2004, sunset date of Act 192, Session Laws of Hawaii 2002, which provides prescriptive authority for advanced practice registered nurses (APRNs) and to statutorily require that the Department of Commerce and Consumer Affairs establish a Joint Formulary Advisory Committee.

Your Committee on Conference finds that APRNs play an important role in the provision of health care in our State, and that their prescriptive authority is essential for effective patient care.

Your Committee on Conference has amended this measure by:

- (1) Codifying Section 2 of Act 192, Session Laws of Hawaii 2002, which establishes a Joint Formulary Advisory Committee; and
- (2) Correcting the defective date and making it effective on June 29, 2004, so as not to conflict with the repeal date of Act 192, sections 2 and 3.

Your Committee on Conference notes that the establishment of the Joint Formulary Advisory Committee by this measure is a continuation of the committee that was established in Act 192, Session Laws of Hawaii 2002.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3085, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3085, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Menor, Chun Oakland and Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hogue).

Representatives Arakaki, Hiraki, Herkes and Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 47-04 on S.B. No. 2782

The purpose of this measure is to provide the Department of Land and Natural Resources with the same financial flexibility afforded through federal guidelines regarding habitat conservation plans.

The United States Fish and Wildlife Service and the state Department of Land and Natural Resources jointly administer habitat conservation plans. Your Committee on Conference finds that those plans are administered and managed most effectively when the financial tools available for implementation are consistent at both the federal and state levels. Your Committee on Conference believes this measure provides that needed consistency.

Your Committee on Conference amended the measure by:

- (1) Retaining the term “impact” in paragraph (1) of section 195D-4(g), Hawaii Revised Statutes, to conform with the accepted use of that term throughout the State’s Endangered Species Act; and
- (2) Deleting the defective effective date of July 1, 2010 and making the measure effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2782, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2782, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, English, Aduja and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Kanoho, Morita, Kaho`ohalahala and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. 48-04 on H.B. No. 2814

The purpose of this bill is to effectively care for the residents of Kalaupapa Settlement by requiring the Department of Health (DOH) to:

- (1) Submit annual reports to the Legislature that detail DOH’s efforts to improve the financial and management operations of Kalaupapa; and
- (2) Track separately, whenever appropriate and possible, patient and nonpatient costs.

Your Committee on Conference recognizes that many years ago, Hansen’s disease patients were forced into exile at Kalaupapa Settlement to be isolated from society. While the patients are now free to come and go as they please, the State has acknowledged the injustice that occurred and has pledged that the remaining patients may live out their lives at Kalaupapa, and has committed to caring for them.

In 2003, the Auditor conducted an audit that confirmed the allegations of excessive or inappropriate expenditures and preferential treatment toward workers. There are approximately 39 patients living in Kalaupapa, most of whom are elderly. The patients are living out the final years of their lives with the burden of poor administration of Kalaupapa Settlement. Your Committee on Conference believes this measure will address the misuse of funds and inadequate care of patients, and reaffirms the State’s commitment to the patients that they may live the remainder of their lives peacefully and comfortably in Kalaupapa.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2814, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2814, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kokubun, English, Tsutsui and Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Arakaki, Nishimoto, Shimabukuro, Kaho`ohalahala and Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 49-04 on H.B. No. 2472

The purpose of this bill is to make permanent the provisions of Act 292, Session Laws of Hawaii 2001, to allow the continued sale of the syringes for the prevention of disease.

Your Committee on Conference finds that this measure will keep in effect a law that helps prevent the transmission of blood-borne diseases.

Your Committee on Conference has amended this bill by making technical and nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2472, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2472, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Hanabusa, Chun Oakland and Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hogue).

Representatives Arakaki, Hamakawa, Caldwell, Nishimoto and Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Finnegan).

Conf. Com. Rep. 50-04 on H.B. No. 1980

The purpose of this bill is to:

- (1) Require the Chief Justice of the Supreme Court to conduct biennial reviews of family court judges;
- (2) Eliminate the automatic closure of family court hearings in child protective services' (CPS) matters brought pursuant to chapter 587, Hawaii Revised Statutes (HRS), (hereinafter referred to as "CPS" matters, hearings, or cases);
- (3) Allow parents to bring a non-lawyer advocate to CPS hearings;
- (4) Specify the qualifications of the advocate; and
- (5) Require family court judges to enforce perjury statutes.

Your Committee on Conference finds that many concerns have been raised by the community regarding what is commonly referred to as the "CPS system." This bill seeks to address many of the perceived problems with that system. Measures such as this one must carefully balance the desire for increased transparency and accountability with the interests of children and families.

Mandating a special review process for family court judges does not appear necessary at this time. Judges are already subject to periodic review. Under Supreme Court Rule 19, the Chief Justice administers the judicial performance program. Based on standardized questionnaires and comments from attorneys who practice in our courts, judges are evaluated approximately twice in a three-year term, or three times in a ten-year term.

Some parents attending CPS hearings may benefit greatly from the company and support of an adult non-lawyer advocate. Under appropriate circumstances and subject to the discretion of the court, such advocates could provide great comfort to parents faced with CPS hearings.

To protect the administration of justice and the integrity of the process, advocates must be concerned only with the child's protection and the family's healing. Because advocates would be providing support rather than representation, they need not possess specific training or expertise. However, an advocate must demonstrate an awareness of, and a sensitivity to, the needs of the child, and must also show appropriate respect to the court and to the other parties.

Currently, all CPS hearings are closed to the public. However, there may be times when circumstances dictate that a CPS hearing should be open to the public, subject to the discretion of the court. The impact of opening a hearing to the public, or allowing for an

adult advocate, may not be initially apparent. Therefore, such decisions must be subject to the continuing discretion of the judge. Finally, the bottom line on such decisions must always be the best interests of the child.

Your Committee on Conference has amended this bill by:

- (1) Deleting the requirement that the Chief Justice establish a biennial review of family court judges;
- (2) Deleting the requirement that family court judges "strictly enforce" existing perjury statutes;
- (3) Allowing hearings under chapter 587, HRS, to be open to the public upon a party's request and subject to the judge's discretion;
- (4) Clarifying that parties involved in CPS hearings may be accompanied by an adult advocate, unless the court finds that the presence of the advocate would not be in the best interests of the child;
- (5) Deleting the qualifications of the advocate but specifying that the advocate's interest in the matter is limited to the protection of the child and the healing and rehabilitation of the family;
- (6) Changing the effective date to upon approval; and
- (7) Making technical, nonsubstantive amendments for consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1980, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1980, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland and Hogue.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Chun Oakland).

Representatives Hamakawa, B. Oshiro, Caldwell and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 51-04 on S.B. No. 2704

Your Committee on Conference finds that this measure enhances consumer protection by requiring that prospective purchasers of residential real property be provided with information relating to the existence of construction defects in a written disclosure statement, prior to purchase. This mandatory disclosure will better enable consumers to make informed decisions regarding this major consumer transaction.

Your Committee on Conference has amended this measure so as to take effect upon its approval, rather than on July 1, 2099.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2704, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2704, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Hanabusa, Espero and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Hiraki, Herkes and Stonebraker.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. 52-04 on S.B. No. 2909

The purpose of this measure is to streamline and expedite the rate filings of public utilities with annual gross revenues of less than \$2,000,000.

This measure requires public utilities with annual gross revenues of less than \$2,000,000 to utilize a standard rate adjustment application that, when complete, would contain sufficient information to permit analysis by the Consumer Advocate, to submit financial information in conformance with a standard chart of accounts, and to file annual financial statements and an updated chart of accounts with the Public Utilities Commission (PUC) and Consumer Advocate within ninety days from the end of each calendar year. Additionally, this measure requires the PUC to hold a public hearing on the rate increase request and to make every effort to issue a decision and order within six months of the application filing.

Your Committee on Conference finds that the revised filing procedures established in this measure will provide an incentive for smaller public utilities to submit their rate filings on a more timely or regular basis in order to avoid imposing deferred, but large and financially burdensome, rate increases on utility customers. Additionally, these procedures will enable the PUC and the Consumer Advocate to utilize their resources more efficiently.

Your Committee on Conference has amended this measure by replacing its contents with the language of S.B. 2909, S.D. 1. As amended, this measure takes effect upon its approval, and is technically, but not substantively, different from the measure, as received.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2909, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2909, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Schatz, Hiraki, Takamine and Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 53-04 on S.B. No. 2951

The purpose of this measure is to improve the administration of the laws regulating radiologic technicians and strengthen the penalties against persons who violate these laws.

This measure corrects the title of the administrative officer for the Radiologic Technology Board (Board), removes the officer from the supervision of the Board to maintain independence between the entities' prosecutorial and adjudicatory functions, authorizes the imposition of a maximum \$10,000 fine against persons who commit certain prohibited acts, and requires the Board to adopt rules that establish a fines schedule.

Your Committee on Conference finds that the Department of Health prefers to have discretionary authority regarding fines, and opposes the requirement to adopt rules establishing a fines schedule. However, your Committee has concerns regarding the severity of the fine and the lack of any rules or standards to guide the Board in the imposition of fines. Accordingly, your Committee has amended this measure:

- (1) By reducing the proposed maximum fine from \$10,000 to \$2,000; and
- (2) By deleting the requirement that the Board adopt rules to establish a schedule of fines, but adding a requirement that the Board report to the 2005 Legislature on the implementation of the fines provision, the sufficiency of the fine, and the Board's efforts in adopting guidelines for the imposition of fines.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2951, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2951, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hiraki, B. Oshiro, Herkes and Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 54-04 on H.B. No. 2786

The purpose of this bill is to clarify the application of section 431:10-242, Hawaii Revised Statutes (HRS), to establish the right of a policyholder, beneficiary, or person acquiring the rights of a policyholder or beneficiary under the policy, to collect attorney's fees and costs when an arbitrator, arbitration panel, or the Insurance Commissioner orders the insurer to pay benefits under an insurance policy.

Your Committee on Conference finds that in Labrador v. Liberty Mutual, 103 Haw. 206 (2003), the court ruled that the word "suit" in section 431:10-242, HRS, did not include arbitration and therefore did not allow an award of attorney's fees to a policyholder. Because the purpose of awarding attorney's fees and costs where an insurance company has wrongfully denied benefits is to place the expense of the wrongful denial on the insurance company and not the consumer, it should not matter whether an order is issued by a court, an arbitrator, or an arbitration panel.

Furthermore, awarding fees and expenses only in lawsuits will discourage the use of arbitration when alternative dispute resolution procedures should be encouraged to provide a faster, less expensive alternative and reduce the load on our already overburdened

judicial system. This measure is intended to clarify that fees and expenses are to be awarded where an insurance company has wrongfully denied benefits, regardless of whether the matter is handled by lawsuits or by arbitration.

Your Committee on Conference finds that the purpose of this measure is strictly limited to addressing the Labrador decision and is not intended to affect any other issue relating to the award of attorney's fees and expenses. This measure is not meant to have any other effect on the construction or application of section 431:10-242, HRS. Furthermore, this measure is not intended to express any legislative intent, one way or another, regarding the application of section 431:10-242, HRS, to disputes involving the award of damages in arbitration proceedings and does not change existing law on that issue in any way whatsoever.

Your Committee on Conference has amended this bill by:

- (1) Removing reference to the Insurance Commissioner, because that provision exceeded the scope of the title of this bill; and
- (2) Deleting the provision extending the date after which the Uniform Arbitration Act governs agreements to arbitrate whenever made.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2786, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2786, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Hanabusa, Espero and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives B. Oshiro, Sonson, Ito, Caldwell and Pendleton.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Pendleton).

Conf. Com. Rep. 55-04 on S.B. No. 2834

The purpose of this measure is to appropriate money for the payment of claims against the State and other miscellaneous payments.

After careful consideration, your Committee on Conference has amended this measure by the request of the Department of the Attorney General to add the following claims:

- | | |
|---|------------------------------|
| (1) Bohland v. State of Hawaii
Civil No. 03-1-2558-12, First Circuit | \$ 105,000.00
Settlement; |
| (2) Duncan v. Sheraton, et al.
Civil No. 02-1-1292-05, First Circuit | \$ 15,945.46
Settlement; |
| (3) Godbehere v. State of Hawaii, et al
Civil No. 02-1-1292-05, First Circuit
and | \$ 100,000.00
Settlement; |
| (4) Kealoha, et al. v. Johnson, et al.
Civil No. 01-1-0681(3), Second Circuit | \$ 705,000.00
Settlement; |

Your Committee on Conference also amended this measure by:

- (1) Changing its effective date to upon approval;
- (2) Amending the amount appropriated to the State, Hawaii Health Systems Corporation and the Judiciary to \$4,340,027.14 in section 7; and
- (3) Making technical, nonsubstantive changes for clarity, style, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2834, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2834, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Chun Oakland, Kokubun and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Hamakawa, Takamine and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 56-04 on S.B. No. 3185

The purpose of this measure is to authorize the Office of Information Practices (OIP) to declare a person a vexatious requester if that person abuses opportunities for access to government records afforded by the uniform information practices act.

Your Committee has amended this measure by:

- (1) Referring to "excessive interference" with "legitimate responsibilities" of an agency required to respond to record requests, rather than referring to "abuse of process," to avoid confusion with abuse of legal process in the court setting;
- (2) Clarifying that concerted action with "one or more" persons can lead to a vexatious requester determination;
- (3) Providing that declaring a person as a vexatious requester and imposing restrictions on a vexatious requester's rights shall be reviewable by the court of the circuit in which the requester resides, pursuant to the Hawaii Rules of Civil Procedure;
- (4) Deleting the provision that would permit the ombudsman to affirm, modify, or overturn restrictions that OIP placed on a person designated a vexatious requester;
- (5) Requiring OIP to inform any person declared to be a vexatious requester that the person may request an independent review of OIP's actions by the ombudsman;
- (6) Changing the effective date from July 1, 2040 to July 1, 2004; and
- (7) Making technical, nonsubstantive changes for clarity, style, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3185, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3185, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Kawamoto and Hogue.

Managers on the part of the Senate.

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

Representatives B. Oshiro, Hamakawa and Thielen.

Managers on the part of the House.

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

Conf. Com. Rep. 57-04 on S.B. No. 2077

The purpose of this measure is to require state agencies to prepare and update their functional plans every ten years, beginning June 30, 2006.

This measure also requires legislative approval of any new functional plan or update and requires the consideration and incorporation, if practicable, of the previous findings and recommendations by state agencies contained in planning documents produced within five years of an update.

Your Committee has amended this measure by changing the effective date to make the measure take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2077, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2077, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Kawamoto, Taniguchi, Inouye, Kokubun and Trimble.

Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, 1 (Trimble).

Representatives Wakai, Nishimoto, Karamatsu and Moses.

Managers on the part of the House.

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

Conf. Com. Rep. 58-04 on S.B. No. 2926

The purpose of this measure is to increase the bond authorization amount for the Hula Mae multi-family housing program from \$200,000,000 to \$300,000,000.

Currently, the Housing and Community Development Corporation of Hawaii (HCDCH) is authorized to issue up to \$200,000,000 in tax-exempt revenue bonds to provide below-market rate interim or permanent financing to developers or owners of affordable rental housing projects. By increasing this authorization amount by \$100,000,000, your Committee on Conference finds that this measure will enable HCDCH to facilitate additional construction to help meet the State's need for affordable housing.

Your Committee on Conference has amended this measure to take effect upon its approval and by making a technical, nonsubstantive change.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2926, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2926, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Kim and Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Kim, Trimble).

Representatives Kahikina, Shimabukuro, Nishimoto and Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 59-04 on S.B. No. 2928

The purpose of this measure is to repeal the Rental Housing Trust Fund Advisory Commission (Commission).

Your Committee on Conference finds that the Commission's role is to advise and inform the Housing and Community Development Corporation of Hawaii (HCDCH) on matters concerning the administration of the Rental Housing Trust Fund (Fund). Administrative responsibility for the Fund, however, rests with HCDCH. Consequently, housing developers seeking Fund loan approvals must make presentations to both the Commission and HCDCH. This measure eliminates this redundancy and waste of resources by repealing the Commission.

Your Committee on Conference has amended this measure:

- (1) By deleting language proposing to replace the Commission's seat on the HCDCH Board of Directors with a representative of low-income housing, to avoid violating the State Constitution by exceeding the scope of the title; and
- (2) To take effect upon its approval, rather than on July 1, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2928, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2928, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Kim and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Kim, Whalen).

Representatives Kahikina, Shimabukuro, Nishimoto and Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 60-04 on S.B. No. 473

The purpose of this measure is to require public informational meetings as part of the county zoning permit process for halfway houses for persons released from a correctional facility or a mental health treatment facility, or for persons receiving substance abuse or sexual offender treatment.

Your Committee on Conference noted concerns about who the State should notify prior to the public informational meetings. It is the intent of your Committee on Conference that notification of public informational meetings for halfway houses should be given to the area's:

- (1) Neighborhood board;
- (2) Community association; and
- (3) Surrounding residents.

Your Committee on Conference has amended this measure by:

- (1) Adding a purpose section;
- (2) Reverting back to language stating that “the powers granted herein” shall be liberally construed in favor of the county exercising them;
- (3) Defining “halfway houses” as a group living facility for people who:
 - (a) Have been released or are under supervised release from a correctional facility;
 - (b) Have been released from a mental health treatment facility; or
 - (c) Are receiving substance abuse or sex offender treatment; and
 are housed to participate in programs that help them readjust to living in the community;
- (4) Defining “mental health treatment facility” as a psychiatric facility or special treatment facility as defined under section 334-1, Hawaii Revised Statutes;
- (5) Amending the effective date to take effect “upon its approval”; and
- (6) Making technical, nonsubstantive changes for clarity, style, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 473, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 473, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Chun Oakland, Hanabusa, Aduja and Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Kahikina, Arakaki, Hamakawa, Shimabukuro and Jernigan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Jernigan).

Conf. Com. Rep. 61-04 on S.B. No. 2887

The purpose of this measure is to adopt the National Association of Insurance Commissioners’ Interstate Insurance Compact (Compact).

Your Committee on Conference finds that the adoption of the Compact will improve speed-to-market conditions for insurance investment products by establishing uniform standards and a single point of filing for product review, thereby making new products available for sale sooner to consumers. Additionally, the Compact will enable state regulators to share best practices and utilize their resources more efficiently, and help to level the playing field among entities offering investment products.

Your Committee on Conference has amended this measure to take effect on January 1, 2005, and by making technical amendments for purposes of consistency and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2887, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2887, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Kokubun and Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Hiraki, Takamine, Herkes and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 62-04 on S.B. No. 2839

The purpose of this measure is to clarify and strengthen the laws regulating professional solicitors and professional fundraising counsel who contract with charitable organizations to conduct fundraising.

Your Committee on Conference finds that the regulation of professional fundraisers is essential to prevent the exploitation of donors and charitable organizations, and that the laws in this area require updating. Your Committee further finds that it is appropriate to transfer oversight of these entities from the Department of Commerce and Consumer Affairs to the Attorney General, which currently

oversees the activities of public charities and private charitable foundations. Finally, your Committee finds that authorizing enforcement powers, and establishing reporting and contract requirements will facilitate the administration of the law and enable consumers to be better informed regarding the disbursement of their donations.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2005, and by making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2839, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2839, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Hanabusa, Taniguchi, Baker, Kokubun and Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Whalen).

Representatives Hiraki, B. Oshiro, Kawakami, Caldwell and Stonebraker.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. 63-04 on S.B. No. 2606

The purpose of this measure is to authorize licensed brewpubs to sell malt beverages manufactured on the licensee's premises:

- (1) In brewery sealed packages for off-premises consumption;
- (2) In securely sealed containers provided by the licensee or consumer, not to exceed one gallon per container, directly to consumers for off-premises consumption; and
- (3) In brewery sealed containers to wholesale and retail dealers, dispensers, club vessels, transient vessels, tour or cruise vessels, special, cabaret, hotel, and caterer licensees.

This measure also requires brewpubs engaged in the retail sale of malt beverages to comply with regulations pertaining to class 4 retail licensees as well as permit brewpubs to conduct activities at a second location licensed by the same brewpub ownership, provided that the manufacturing takes place in Hawaii.

Your Committee has amended this measure by:

- (1) Providing that malt beverages manufactured on the licensee's premises and sold for off-premises consumption may be sold in brewery sealed kegs and growlers, and defining "growler" as a glass container, not to exceed one half-gallon, that may be securely sealed; and
- (2) Clarifying that malt beverages, manufactured on the licensee's premises for off-premises consumption sold in "containers" provided by the licensee or consumer, not to exceed one gallon per container, are to be sold in "glass" containers.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2606, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2606, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Menor, Hanabusa, Kawamoto and Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Trimble).

Representatives Schatz, B. Oshiro, Caldwell and Blundell.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 64-04 on S.B. No. 3170

The purpose of this measure is to promote alternative energy sources in Hawaii by:

- (1) Establishing new requirements for the blending of ethanol in gasoline on an annual basis; and
- (2) Requiring, by January 1, 2006, that not less than eighty-five per cent of all gasoline sold for use in motor vehicles contains ten per cent ethanol by volume.

The intent of your Committee on Conference is to reduce Hawaii's dependence on imported fossil fuels.

Your Committee has amended this measure by changing the effective date of the measure so that the measure takes effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3170, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3170, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Menor, Taniguchi, English, Espero and Trimble.
Managers on the part of the Senate.
Ayes, 6. Noes, none. Excused, none.

Representatives Morita, Waters, Kaho'ohalahala and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 65-04 on S.B. No. 1238

The purpose of this measure is to recognize, establish, and set forth an adult's and emancipated minor's rights to make enforceable advance mental health care directives, and to repeal chapter 327F, HRS, relating to medical treatment decisions for psychotic disorders.

Your Committee on Conference acknowledges that an individual should have the authority to determine the scope and type of care and services that they will receive, especially when incapacitated. Your Committee on Conference further finds that this measure improves current law, reflects national standards, and assures individuals rightful control over the care they receive.

The intent of your Committee on Conference is to give priority to the intent of the incapacitated person, above all others, unless that person was incompetent at the time the directive was completed.

Your Committee on Conference has amended this measure by:

- (1) Deleting clarifying amendments to this measure if H.B. No. 2297, relating to guardianship and protective proceedings, is passed by the Legislature in this Session (that measure has passed and has been sent to the Governor);
- (2) Inserting clarifying amendments to section 560:5-304, Hawaii Revised Statutes, should H.B. 2297 be enacted; this provision inserts a cross-reference to the term "mental health care directive" into section 560:5-304(b) to conform to this measure; and
- (3) Making the measure effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1238, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1238, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kokubun, Hanabusa, Chun Oakland and Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Arakaki, B. Oshiro, Nishimoto and Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Marumoto).

Conf. Com. Rep. 66-04 on S.B. No. 2056

The purpose of this measure is to designate the Auditor as an authorized representative of the Department of Education, Department of Health, a state educational authority, or a state educational official, for purposes of accessing student or other records related to the provision of mental health services to public schools pursuant to the Felix-Cayetano consent decree.

Your Committee finds that this measure will enable the Auditor to fulfill necessary oversight functions while still preserving the privacy of individuals' records. Restricting the Auditor's access to records to those relating to the Felix-Cayetano consent decree, however, may prevent the Auditor from conducting other necessary oversight functions regarding other matters in the future.

Your Committee has amended the measure by deleting reference to the phrase Felix-Cayetano consent decree and mental health services, as being superfluous to the other language in the new law.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2056, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2056, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Baker, Hanabusa and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Takumi, Magaoay, B. Oshiro and Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 67-04 on S.B. No. 2200

The purpose of this measure is to repeal administrative rulemaking requirements for the Running Start program.

Your Committee finds that repealing the administrative rulemaking requirements for the Running Start program will provide enhanced operational effectiveness and flexibility for this worthy program.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2200, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2200, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Hanabusa, Hooser and Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hogue).

Representatives Takumi, B. Oshiro, Kawakami and Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 68-04 on S.B. No. 2425

The purpose of this measure is to expedite funding for new century charter schools by requiring that:

- (1) Fifty percent of per pupil allocations be provided by July 15 of each year, based upon projected enrollment;
- (2) Forty percent of per pupil allocations be provided by October 15 of each year, based upon an actual student count made by September 15 of each year; and
- (3) Ten percent of per pupil allocations be provided by January 1 of each year, based upon an actual student count made by October 15 of each year.

Your Committee finds that this measure will enhance the timeliness of the funding stream available to new century charter schools, thus enhancing their ability to serve as an effective alternative to other public schools.

Your Committee further finds that the Governor's budget request, as expressed in House Bill No. 1800, H.D. 1, S.D. 1, C.D. 1, contained a student count (4,834) and per pupil allocation figure (\$5,355) that were somewhat lower than an updated student count verified by the Charter School Administrative Office (4,944) and an updated per pupil allocation (\$5,736) approved by the Board of Education based upon figures calculated by the Charter School Administrative Office, Department of Education Budget Office, and charter school financial officers. These updated figures were reflected in the most recent consolidated annual financial report of the Department of Education. As a result, a supplemental appropriation of \$2,472,714 is necessary to cover the difference.

Your Committee has amended the measure by:

- (1) Allowing the Legislature to adjust the per pupil allocation;
- (2) Allowing the Legislature to make additional appropriations for fringe or other employee benefits, and facility costs;
- (3) Requiring the Charter School Administrative Office to provide the initial fifty percent of a new century charter school's per pupil allocation no later than July 20 of each year, instead of July 15;
- (4) Requiring the Charter School Administrative Office to provide forty percent of a new century charter school's per pupil allocation no later than November 15 of each year, based upon a student enrollment verified on October 15 of each year, provided that the student enrollment shall be verified on the first day of business immediately prior to October 15 should that date fall on a weekend;
- (5) Requiring the Charter School Administrative Office to provide a new century charter school's remaining ten percent per pupil allocation no later than January 1 of each year and delinking it from a revised student enrollment;

- (6) Requiring that, in conjunction with the verified student enrollment on or immediately prior to October 15, the charter school administrative office shall also collect from new century charter schools accountings of the percentage of students who transferred from public schools established and maintained by the department to new century charter schools;
- (7) Requiring that these accountings also be submitted by the Charter School Administrative Office to the Legislature no later than twenty days prior to the convening of each Regular Session;
- (8) Requiring the Department of Education to transfer from EDN 100 to EDN 600 additional per pupil allocations for new century charter schools whose verified student enrollment exceeds their projected student enrollment, in an amount to correspond with the additional students;
- (9) Requiring the Charter School Administrative Office to transfer from EDN 600 to EDN 100 any excess per pupil allocations for new century charter schools whose verified student enrollment is lower than their projected student enrollment in an amount to correspond with the lower number of students;
- (10) Adding an appropriation of \$2,472,714 for new century charter schools; and
- (11) Changing the effective date from July 1, 2010 to upon approval; provided that the appropriation section is to take effect on July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2425, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2425, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Takamine, Evans, Kawakami and Ontai.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Ontai).

Conf. Com. Rep. 69-04 on S.B. No. 2716

The purpose of this bill is to improve the organization of the higher education laws by establishing the Higher Education Statutory Analysis Interim Study Group (Study Group) to, with the assistance of the Legislative Reference Bureau:

- (1) Determine an improved framework for statutes relating to higher education and the University of Hawaii; and
- (2) Make recommendations for changes to the statutes.

Your Committee on Conference finds that recodifying the higher education statutes will provide better organization of these important laws and allow them to be more effectively implemented.

Your Committee on Conference has amended this bill by:

- (1) Specifying that the Speaker of the House of Representatives and the President of the Senate, rather than the chairs of the House Committee on Higher Education and the Senate Committee on Education, shall appoint the members of the Study Group; and
- (2) Making technical, nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2716, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2716, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Chun Oakland, Hooser and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Takai, Magaoay, Tamayo and Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 70-04 on S.B. No. 2538

The purpose of this measure is to authorize the issuance of \$30,000,000 in special purpose revenue bonds to assist Iolani School, a not-for-profit private elementary and secondary school, to finance and refinance the planning, construction, and improvement of its educational facilities in the State.

Your Committee finds that the issuance of special purpose revenue bonds serves a valuable public purpose by making much-needed educational facilities available to the students of Hawaii.

Your Committee has amended the measure by making the measure effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2538, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2538, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Chun Oakland, Menor and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Menor).

Representatives Takumi, Nishimoto, Evans and Leong.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Leong).

Conf. Com. Rep. 71-04 on S.B. No. 2671

The purpose of this measure is to authorize the issuance of \$10,000,000 in special purpose revenue bonds to assist The Congregation of Christian Brothers, Inc., dba Damien Memorial High School, a not-for-profit private elementary and secondary school, to finance or refinance the planning, acquisition, construction, or improvement of its educational facilities.

Your Committee finds that the issuance of special purpose revenue bonds serves a valuable public purpose by making much-needed educational facilities available to the students of Hawaii.

Your Committee has amended the measure by making it effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2671, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2671, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Kokubun and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Takumi, Shimabukuro, Arakaki and Leong.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Leong).

Conf. Com. Rep. 72-04 on S.B. No. 2790

The purpose of this measure is to authorize the issuance of \$9,450,000 in special purpose revenue bonds to assist Haleakala Waldorf School, a not-for-profit private elementary and secondary school, to finance or refinance the planning, acquisition, construction, or improvement of its educational facilities.

Your Committee finds that the issuance of special purpose revenue bonds serves a valuable public purpose by making much-needed educational facilities available to the students of Hawaii.

Your Committee has amended the measure by making it effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2790, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2790, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Chun Oakland, English and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (English).

Representatives Takumi, Nakasone, Kaho`ohalahala and Bukoski.
Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Kaho'ohalahala).

Conf. Com. Rep. 73-04 on S.B. No. 2791

The purpose of this measure is to authorize the issuance of \$10,000,000 in special purpose revenue bonds to assist Montessori School of Maui, Inc., a not-for-profit private elementary and secondary school, to finance or refinance the planning, acquisition, construction, or improvement of its educational facilities.

Your Committee finds that the issuance of special purpose revenue bonds serves a valuable public purpose by making much-needed educational facilities available to the students of Hawaii.

Your Committee has amended the measure by making it effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2791, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2791, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Chun Oakland, English and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (English).

Representatives Takumi, Nakasone, Kaho'ohalahala and Blundell.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Blundell).

Conf. Com. Rep. 74-04 on S.B. No. 3086

The purpose of this measure is to authorize the issuance of \$20,000,000 in special purpose revenue bonds to assist Island Pacific Academy, a not-for-profit private elementary and secondary school, to finance or refinance the planning and construction of its educational facilities.

Your Committee finds that the issuance of special purpose revenue bonds serves a valuable public purpose by making much-needed educational facilities available to the students of Hawaii.

Your Committee has amended the measure by making a technical amendment and making it effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3086, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3086, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Kanno and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Takumi, Karamatsu, Mindo, Magaoay and Ontai.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Magaoay).

Conf. Com. Rep. 75-04 on S.B. No. 2968

The purpose of this measure is to establish a new civil natural resource violations system within the Department of Land and Natural Resources for rule violations.

Your Committee on Conference finds that the enhancement of enforcement authority for the Department of Land and Natural Resources in both the Senate and House versions of the measure should be adopted to ensure that the State's natural resources are protected effectively.

Your Committee on Conference amended this measure by adding the language from S.B. No. 2968, S.D. 1, which expands the enforcement authority of the Department of Land and Natural Resources under the conservation and resources enforcement program to the Kaho'olawe Island Reserve, cave protection, and all state lands and waters. Your Committee on Conference further amended this measure by requiring rather than permitting the Department of Land and Natural Resources to adopt, amend, and repeal rules under the new civil natural resource violations system, and by deleting the new criminal penalties for violations of chapter 171, Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2968, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2968, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Aduja, Fukunaga, Ihara and Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

Representatives Kanoho, Morita, B. Oshiro and Bukoski.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Bukoski).

Conf. Com. Rep. 76-04 on S.B. No. 2063

The purpose of this measure is to:

- (1) Authorize schools to assess each student a textbook and instructional materials fee up to \$20 per school year;
- (2) Require schools to provide copies of current lists of textbooks and instructional materials to students;
- (3) Prohibit schools from selling textbooks, equipment, and necessary school supplies and equipment unless written permission is obtained from the department; and
- (4) Establish the textbook and instructional materials fee special account.

Your Committee finds that this measure provides an incentive to students and families to take greater responsibility for the condition of their textbooks.

Your Committee has amended the measure by:

- (1) Deleting the provision authorizing schools to assess and collect a textbook and instructional materials fee of up to \$20 from each student;
- (2) Requiring each school to make available a copy of the current list of textbooks and instructional materials upon the request not later than the tenth day of class in each school year; and
- (3) Changing the effective date to July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2063, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2063, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser, Kokubun and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Hogue).

Representatives Takumi, Takamine, Evans and Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 77-04 on S.B. No. 2358

The purpose of this measure is establish procedures for the resolution of disputes related to construction defects.

This measure abolishes the Design Professional Conciliation Panel and establishes a process of resolving disputes over construction defects that requires a contractor to be given notice of a construction defect claim and an opportunity to repair the defect or make some other settlement. Unresolved disputes must proceed to mediation before the filing of a lawsuit, and construction contracts must contain disclosures regarding the notice and opportunity to repair law. Your Committee on Conference finds that this measure will facilitate the nonjudicial resolution of construction defect claims, enable property owners to more quickly regain the full use of affected structures, and ultimately reduce the cost of construction for consumers in Hawaii.

Your Committee on Conference has amended this measure:

- (1) By adding a definition for "claim" and expanding the definition of "contractor" to include entities that engage in manufacturing and the supplying of products;
- (2) To exclude construction claims related to commercial, industrial, and hotel facilities;
- (3) To clarify that the serving of a notice of claim does not constitute the making of a claim of liability under an insurance policy and does not obligate an insurer to provide a defense thereunder;

- (4) To require a claimant to give a contractor reasonable prior notice and an opportunity to observe testing after serving the contractor with a notice of claim;
- (5) To require, rather than permit, a contractor to serve a written response to a notice of claim;
- (6) By deleting provisions specific to the rights, duties, and prohibitions applicable to apartment owners' or homeowners' associations, except for provisions that provide associations with additional time to provide access to premises and accept a settlement offer;
- (7) To take effect on July 1, 2004; and
- (8) By making technical changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2358, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2358, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Hanabusa, Sakamoto and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Hiraki, B. Oshiro, Herkes and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 78-04 on S.B. No. 3092

The purpose of this measure is to appropriate funds to the Department of Health to expand its solid waste management enforcement and monitoring capabilities and to allow persons who report illegal dumping activity to receive fifty per cent of the fines collected.

Your Committee on Conference notes the success of the CrimeStoppers program in reducing crime in remote and residential areas and intends that a similar result with illegal dumping will be achieved by the enactment of this measure.

Your Committee on Conference amended this measure by:

- (1) Deleting the unspecified appropriation for expanding the Department of Health's solid waste management enforcement and monitoring capabilities;
- (2) Specifying that the fines collected for illegal dumping will go to the enforcing agency, with fifty per cent of the fines collected to go to the person reporting the illegal activity; and
- (3) Adding a purpose section.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3092, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3092, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Kokubun, Hooser, Taniguchi and Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Hooser, Taniguchi).

Representatives Morita, Waters, Kaho'ohalahala and Bukoski.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Bukoski).

Conf. Com. Rep. 79-04 on H.B. No. 1756

The purpose of this bill is to assist Electricore, Inc., in the planning, design, construction, and operation of facilities for the development and production of unmanned vehicle systems, unmanned aerial vehicles, and the technologies associated with integrated multi-use unmanned systems. This bill authorizes the High Technology Development Corporation to issue up to \$30,000,000 in special purpose revenue bonds to Electricore, Inc.

Your Committee on Conference has amended this bill by:

- (1) Clarifying the nature of Electricore, Inc.'s business and operations;

- (2) Changing the effective date to July 1, 2004; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1756, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1756, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Taniguchi, Aduja, Fukunaga, Kokubun and Hemmings.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

Representatives Schatz, Wakai and Leong.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 80-04 on H.B. No. 1710

The purpose of this bill is to enable the University of Hawaii (UH) to provide tuition scholarships to qualified students by:

- (1) Establishing the Student Scholarship and Assistance Special Fund (Fund);
- (2) Enabling UH to transfer moneys into the Fund from the UH Tuition and Fees Special Fund;
- (3) Appropriating moneys from the UH Tuition and Fees Special Fund into the Fund; and
- (4) Authorizing the expenditure of moneys from the Fund for fiscal year 2004-2005.

Your Committee on Conference finds that establishing the Fund will enable UH to provide cash scholarships rather than tuition waivers to students. Providing scholarships instead of tuition waivers will have the additional benefit of allowing students or their families to take advantage of the federal HOPE Scholarship tax credit program, which counts scholarships, but not tuition waivers, as eligible expenses for the purpose of claiming the tax credit.

Your Committee on Conference has amended this bill by:

- (1) Deleting the appropriation from the UH Tuition and Fees Special Fund;
- (2) Changing the appropriation from the Fund from an unspecified amount to \$20,000,000; and
- (3) Making technical, nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1710, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1710, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Takai, Wakai, Tamayo and Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 81-04 on H.B. No. 1786

The purpose of this bill is to allow employees who have been in civil service exempt positions for eight or more consecutive years to apply for intra-departmental and inter-departmental transfers and intra-departmental and inter-departmental promotional examinations for which they otherwise meet the minimum qualifications. In addition, this bill would restrict the total number of exempt positions to an unspecified percentage of full-time civil servant positions.

Your Committee on Conference has amended this bill by:

- (1) Changing the time period, from eight to six consecutive years, during which an employee in a civil service exempt position must satisfactorily perform work to apply for intra- and inter-departmental transfer or promotional examination;
- (2) Deleting a provision that capped the number of civil service exempt positions to a percentage of full-time civil service positions;

- (3) Inserting an effective date of July 1, 2004, and a repeal date of July 1, 2006; and
- (4) Making various technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1786, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1786, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kokubun and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives M. Oshiro, Takamine, Nakasone and Jernigan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Jernigan).

Conf. Com. Rep. 82-04 on H.B. No. 2911

The purpose of this bill is to improve accountability for charter schools by requiring them to be subject to:

- (1) County laws, codes, and rules governing land use and public health and safety to the extent that those laws, codes, and rules apply to other public schools; and
- (3) Audit and inspection by the Charter School Administrative Office.

Your Committee on Conference finds that this bill will help to ensure that charter schools meet basic health and safety standards and land use regulations as required by the counties. Students at charter schools should be provided with a secure and healthy environment that is conducive to learning. Furthermore, this bill will help to clarify the responsibilities of charter schools inasmuch as the exemptions from state laws currently applied to charter schools are somewhat ambiguous.

Your Committee on Conference has amended this bill by:

- (1) Making charter schools subject to state land use laws;
- (2) Deleting the qualification that charter schools only be subject to county laws, codes, and rules to the extent that the laws, codes, and rules apply to other public schools; and
- (3) Making this bill effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2911, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2911, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Kokubun and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

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

Conf. Com. Rep. 83-04 on H.B. No. 1929

The purpose of this measure is to:

- (1) Appropriate funding for the Hawaii 3R's program; and
- (2) Codify a coordinator position in the Department of Accounting and General Services.

Your Committee finds that Hawaii 3R's is an effective public-private partnership that leverages state resources to provide much needed repair and maintenance in public schools. Your Committee further finds that the functions of the Hawaii 3R's program are among the repair and maintenance functions that will be transferred from the Department of Accounting and General Services to the Department of Education upon the approval of Senate Bill No. 3238, S.D. 2, H.D. 2, C.D. 1 in 2004 as a part of the coordinated effort to reduce the bureaucracy that hinders the effective operation of the Department of Education. The functions of the Hawaii 3R's program are presently coordinated by a single employee of the Department of Accounting and General Services. This measure makes conforming amendments to the statute to reflect the transfer of these functions and this employee to the Department of Education.

Your Committee finds that, at present, the Department of Education can operate this program at of existing resources.

Your Committee has amended the measure by:

- (1) Establishing the coordinator position in the Department of Education instead of the Department of Accounting and General Services;
- (2) Making conforming amendments to the statutes regarding the repair and maintenance tax credit;
- (3) Making conforming amendments to the statutes regarding the school repair and maintenance fund;
- (4) Deleting the appropriation for the coordinator position; and
- (5) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1929, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1929, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser, Kokubun and Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Takumi, Kawakami, Evans and Ontai.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ontai).

Conf. Com. Rep. 84-04 on H.B. No. 2049

The purpose of this bill is to:

- (1) Broaden the financing options for energy performance contracts;
- (2) Replace shared savings plans with guaranteed-savings plans;
- (3) Increase the allowable length of energy performance contracts from 15 years to 20 years;
- (4) Amend the definition of "energy performance contract" to include water saving technology retrofits;
- (5) Specify that energy conservation retrofits also include energy saved off-site by water or other utility conservation enhancing retrofits; and
- (6) Add a definition for "financing agreement."

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2004; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2049, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2049, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Ige, Espero, Menor and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Menor).

Representatives Morita, Hiraki, Chang, Herkes and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. 85-04 on H.B. No. 1820

The purpose of this bill is to allow motor vehicle insurers to adopt more efficient business practices that will ultimately benefit the consumer. This bill:

- (1) Permits cancellation of a motor vehicle insurance policy within the first 60 days of the policy, where cancellation is not based on prohibited discrimination; and
- (2) Reduces the notice requirement for cancellation of a policy for nonpayment of premiums, from 30 days to 15 days.

Your Committee on Conference has amended this bill to reduce the notice requirement for cancellation of a policy for nonpayment of premiums, to 20 days.

Your Committee on Conference finds that undisclosed traffic violations and accidents often result in large additional premiums and necessitate collection activities. To avoid this problem, some insurers ask a prospective insured to obtain an abstract of their traffic record, prior to issuing a policy. This delays issuance of the policy and requires the consumer to visit the District Court, adding to the lines and workload.

The addition of a 60-day "underwriting period" affords the insurer time to perform driving record and claims history searches to ensure that a policy is properly rated. The underwriting period gives the insurer time to access periodically updated magnetic tapes containing traffic abstract data, and makes it possible for more insurers to offer immediate coverage.

A period of extended coverage triggered by a cancellation notice issued after a missed premium payment is a common feature in insurance. It reduces the risk of an inadvertent policy lapse.

While Hawaii's longer period of extended coverage may appear to benefit consumers, there are also disadvantages. The interest of consumers is in having an optimal period that provides the benefit of avoiding an inadvertent policy lapse, without the disadvantages that attach when the cancellation period is too long.

For example, minimum down payments are higher in states with a longer cancellation period. Drivers on a tight budget, while they "save up" for the down payment, sometimes feel the need to use their car. This adds to the uninsured driver problem. Those who abide by the law and do not drive uninsured are inconvenienced during this period of saving for the high down payment.

Even after receiving the larger down payment, many insurers are reluctant to offer monthly payment plans, which are an option preferred by many consumers. With a shorter extended coverage period, more insurers will make this option available.

Further, unrecovered underwriting costs and administrative costs associated with extended coverage are proportional to the duration of the extended coverage period. Because these costs are passed through to all insured drivers, shortening the extended coverage period will reduce the insurer's costs and, in Hawaii's competitive market, will reduce the cost of insurance.

Your Committee on Conference finds that the majority of the states establish a ten-day notice of cancellation and extended coverage requirement. Most of the other states have a 15-day or 20-day notice requirement. Only Hawaii, West Virginia, and the District of Columbia have a 30-day notice requirement.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1820, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1820, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hiraki, Herkes, Ito and Stonebraker.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. 86-04 on H.B. No. 2143

The purpose of this bill is to protect consumers and update the gift certificate law by:

- (1) Clarifying the existing law concerning the minimum duration of a gift certificate, by adding an explicit prohibition against dormancy and other service fees;
- (2) Permitting the expiration date of an electronic card with a banked dollar value to be published on the sales receipt;
- (3) Creating an exemption from the gift certificate law for gift certificates issued without the consumer giving anything of value to the issuer, such as in the case of promotional and charitable gift certificates; and
- (4) Updating the definition of "gift certificate" to reflect technological changes.

In addition to a single technical, nonsubstantive amendment, your Committee on Conference amended the effective date of this bill. The Act takes effect on July 1, 2005. It should be noted, however, that the amendment concerning dormancy and other service fees is a

clarification of the current law. Issuers of gift certificates should not interpret the Act as permitting the imposition of such charges prior to July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2143, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2143, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hiraki, Herkes, Caldwell and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 87-04 on H.B. No. 2773

The purpose of this bill is to allow an apartment owner who is an amateur radio operator licensed by the Federal Communications Commission to install amateur radio equipment on the owner's condominium unit or on limited common elements reserved for use of the unit without obtaining approval or consent of the association.

Your Committee on Conference has amended this bill to authorize the board of directors of a condominium property regime to permit amateur radio operators to install antennas in their apartments or their limited common elements. While the decision to grant or deny a request lies solely with the board of directors, in the exercise of the board's responsibility to all owners, any denial must be in writing and must state the reasons for the denial.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2773, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2773, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hiraki, Herkes, Sonson, Caldwell and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Sonson).

Conf. Com. Rep. 88-04 on H.B. No. 2774

The purpose of this bill is to permit an amateur radio operator licensed by the Federal Communications Commission who owns a subdivision lot, to install an amateur radio antenna on the lot so long as it does not directly affect any other subdivision lot owner, and without first obtaining approval or consent.

Your Committee on Conference has amended this bill to grant the board of directors of a planned community association, within an agricultural district, the authority to permit owners to install antennas for amateur radios within their units. However, if the installation is in a common area, it must still comply with all provisions of the association documents. If a board denies permission to install an antenna, the board must state the reasons in writing.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2774, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2774, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hiraki, Sonson, Caldwell and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 89-04 on H.B. No. 2074

The purpose of this bill is to:

- (1) Add violations of historic preservation law to violations for which small businesses shall not receive a waiver or reduction of civil penalties and fines; and
- (2) Specify which violations of environmental laws also shall receive no waiver or reduction of civil penalties and fines.

Your Committee on Conference has amended this bill by including violations:

- (1) Of certain sections of chapter 200, Hawaii Revised Statutes (HRS); and
- (2) Of administrative rules promulgated pursuant to section 200-4(6), HRS; except for rules promulgated pursuant to section 200-4(6)(A), 200-4(6)(B), 200-4(6)(C), and 200-4(6)(D)

rather than the entire chapter, as violations for which small businesses shall not receive a waiver or reduction of civil penalties and fines;

- (3) Changing the effective date to upon approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2074, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2074, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Fukunaga, Hooser, Ihara and Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Hemmings).

Representatives Schatz, Morita, Chang, B. Oshiro and Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Leong).

Conf. Com. Rep. 90-04 on S.B. No. 2976

The purpose of this measure to appropriate money to reduce the overcrowding in Hawaii's correctional facilities by allowing the Department of Public Safety to:

- (1) Contract for additional correctional beds on the mainland and at the federal detention center; and
- (2) Pay for transportation costs to transfer inmates.

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

- (1) Appropriating the sum of \$300,000 for additional transportation and necessary operation costs to house inmates in the federal detention center in Honolulu or in mainland correctional facilities; and
- (2) Changing the effective date to "upon its approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2976, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2976, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Kokubun and Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hogue).

Representatives Ito, Takamine, Mindo and Pendleton.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

Conf. Com. Rep. 91-04 on H.B. No. 680

The purpose of this bill is to ensure that the State's top officials understand the State's ethics and lobbying laws to enable them to carry out their official duties in an ethical manner.

This bill requires legislators, elected members of the Board of Education, trustees of the Office of Hawaiian Affairs, the Governor, Lieutenant Governor, and executive department heads and deputies to attend ethics training designed and conducted by the State Ethics Commission.

In addition to technical, nonsubstantive amendments, your Committee on Conference has amended this bill by changing the effective date to January 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 680, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 680, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Taniguchi, Espero and Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Magaoay, B. Oshiro, Karamatsu and Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 92-04 on S.B. No. 1611

The purpose of this bill is to make clarifying amendments to the Deposit Beverage Container Program (Program).

After careful consideration, Your Committee on Conference has amended this bill by, among other things:

- (1) Changing the date that the Department of Health (DOH) shall notify distributors of the amount of the deposit beverage container fee to January 1, 2005;
- (2) Adding a provision to retain all funds in the Deposit Beverage Container Deposit Special Fund unless the Auditor determines funds to be in excess pursuant to management and financial audits;
- (3) Requiring distributors to begin charging dealers and customers a deposit by January 1, 2005;
- (4) Specifying November 1, 2004, as the date that dealers may begin charging customers the deposit value;
- (5) Specifying that dealers shall inform customers that deposits paid prior to January 1, 2005, shall not be redeemable until January 1, 2005;
- (6) Providing that deposit beverage containers that do not indicate the Hawaii refund value by January 1, 2005, and are intended for sale shall be sold with stickers indicating the refund value;
- (7) Removing the requirement that redemption centers and reverse vending machines shall crush or destroy deposit beverage containers that are accepted for redemption;
- (8) Removing the requirement that redemption centers submit quarterly reporting information;
- (9) Specifying procedures that DOH shall use to implement and administer the Program and providing that these procedures shall be repealed on March 31, 2005;
- (10) Providing a definition of "recycling drop-off facility" to supercede the definition in title 11, chapter 58.1, Hawaii Administrative Rules; and
- (11) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1611, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1611, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Kokubun, Hooser, Kim and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Kim).

Representatives Morita, Schatz, Waters and Jernigan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Jernigan).

Conf. Com. Rep. 93-04 on S.B. No. 17

The purpose of this measure is to:

- (1) Advance the cutoff age for kindergarten to children who are five years old by August 1 beginning with the 2005-2006 school year;
- (2) Require the Department of Education to offer appropriate educational services for those children born August 2 to December 31 of the same school year ("the gap group"); and
- (3) Request the Department of Education to conduct a study and report on programmatic and fiscal impacts of providing gap group programs.

Your Committee finds that the children of the gap group have a need for educational services to facilitate their development and educational success, although this must be developmentally-appropriate and may not necessarily include participation in a kindergarten program. Since assessments for school readiness are still being developed, the age of the student will be used as the initial assessment for entry to junior kindergarten or kindergarten.

Your Committee further finds that there are a variety of school and community situations throughout the public schools of Hawaii which call for a variety of approaches to this issue.

As these are students the Department of Education currently serves, the establishment of a two-tier junior kindergarten and kindergarten program would better serve them. For this reason, your Committee anticipates that, except for the appropriation of \$100,000 for the pilot program, this program will be essentially budget-neutral into the foreseeable future.

Your Committee has amended this measure by requiring the Department of Education to establish a two-tier junior kindergarten and kindergarten program to support the range of developmental abilities of children in junior kindergarten and kindergarten which shall include any or all of the following models:

- (1) Classrooms composed exclusively of either junior kindergarten or kindergarten students;
- (2) Coordination with public, private, or public-private entities to address the needs of junior kindergarten-eligible students within the school's community; and
- (3) The blending of junior kindergarten and kindergarten students in a single classroom.

Your Committee has further amended the measure by:

- (1) Amending the purpose section to clearly reflect and explain the above-mentioned changes;
- (2) Excluding new century charter schools and new century conversion charter schools from mandatory participation in the two-tier junior kindergarten and kindergarten program;
- (3) Authorizing schools to move students between junior kindergartens and kindergartens as schools deem appropriate;
- (4) Allowing junior kindergarten students to graduate directly to grade one;
- (5) Allowing the Department of Education to accept gifts to establish and maintain junior kindergartens;
- (6) Clarifying that the two-tier junior kindergarten and kindergarten program shall be a pilot program during the 2005-2006 school year and required of all public elementary schools by the 2006-2007 school year;
- (7) Requiring the Department of Education to submit findings and recommendations to the Legislature regarding the implementation of the two-tier junior kindergarten and kindergarten program prior to the Regular Sessions of 2005, 2006, and 2007;
- (8) Requiring the Department of Education to develop assessments to aid in the placement of students in the appropriate classroom; and
- (9) Adding an appropriation to be effective on July 1, 2004, in the amount of \$100,000 for planning, piloting, curriculum development, assessment, and reporting, including longitudinal data.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 17, S.D. 1, H.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 17, S.D. 1, H.D. 1, C.D. 2.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser, Chun Oakland and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Hogue).

Representatives Takumi, Karamatsu, Evans and Ontai.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ontai).

Conf. Com. Rep. 94-04 on S.B. No. 3182

The purpose of this bill is to require the executive branch to follow a two-year attrition policy to reduce the number of positions in that branch that are funded by the general fund.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of H.B. No. 2748, S.D. 1.

As amended, this measure subjects the supervisory and personnel positions at the Business Action Center of the Department of Business, Economic Development, and Tourism to the civil service and public employment collective bargaining laws. Furthermore, this bill provides that the present employees in those affected positions will continue to perform their regular duties.

Your Committee finds that current law requires the Director of Business, Economic Development, and Tourism to fill those positions without regard to the civil service laws. Your Committee further finds that making these positions subject to the civil service and public employment collective bargaining laws will improve the effectiveness of the Department of Business, Economic Development, and Tourism's Business Action Center.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3182, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3182, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kim, Kokubun and Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Trimble).

Representatives Takamine, Kawakami, Nakasone and Bukoski.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Bukoski).

Conf. Com. Rep. 95-04 on S.B. No. 2995

The purpose of this measure is to improve commercial motor vehicle safety by adopting the congressionally mandated changes of the Motor Carrier Safety Improvement Act of 1999.

The revisions adopted by the United States Congress, as contained in this measure, are designed to ensure that only safe drivers can drive commercial motor vehicles. The primary purpose of those changes is to reduce the number of truck-related crashes by suspending or disqualifying more commercial vehicle drivers for violation of new disqualifying offenses or commission of serious traffic violations.

Your Committee on Conference has amended this measure by:

- (1) Defining "imminent hazard" and "noncommercial motor vehicle" and clarifying the definition of "serious traffic violation" in section 286-231, Hawaii Revised Statutes (HRS);
- (2) Clarifying the prerequisites for the issuance of a commercial driver's license;
- (3) Deleting "murder" from the motor vehicle fatalities disqualifying one from driving a commercial motor vehicle;
- (4) Making the proper citation to the Code of Federal Regulations;
- (5) Requiring the notification within ten days to the licensing authority of the state of suspension, revocation, or canceling of a nonresident commercial driver's license or permit;
- (6) Changing the term "driver's driving record" to "driver's record";
- (7) Requiring the Judiciary and the Examiner of Drivers to make available information to the users to the greatest extent possible, and within ten days of receiving information of conviction, disqualification, or violation of law;
- (8) Making the measure effective on September 20, 2005, and making sections 1 and 5 and the amendment to section 286-239(c), HRS, effective on October 18, 2004; and
- (9) Making technical, nonsubstantive changes for the purposes of clarity and style.

The amendments to this measure were recommended by mutual agreement between the Department of Transportation and the Examiner of Licenses of the City and County of Honolulu.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2995, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2995, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Hanabusa, Kanno and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Kanno).

Representatives Hamakawa, Takamine, Ito and Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Takamine).

Conf. Com. Rep. 96-04 on S.B. No. 3080

The purpose of this measure is to provide further economic relief to airport concessions that were negatively impacted by the events of September 11, 2001.

Your Committee on Conference finds that the terrorist attacks of September 11, 2001, had a profound impact on air travel in the United States. The subsequent events of the Iraq War and severe acute respiratory syndrome further reduced air travel to Hawaii and other major airports in the United States. The intent of this measure is to provide further relief to previously qualified concessionaires who received relief following the events of September 11, 2001, but who have not yet negotiated further relief with the State. While most concessions since the ending of the regular session of 2003 have negotiated relief with the State, some have not been able to complete negotiations, because the State may need added authority to provide necessary relief to those concessions.

Your Committee on Conference has amended this measure by:

- (1) Deleting reference to allowing the Governor to lease public lands to the affected concessionaires;
- (2) Allowing the Governor to implement the relief by waiving the effect of section 171-13, Hawaii Revised Statutes, relating to the disposition of public lands, which would allow the lease of public lands to the affected concessionaires who have had their leases or licenses cancelled for failure to satisfy the terms and conditions thereof; and
- (3) Repealing the measure on July 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3080, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3080, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Kim, Taniguchi and Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Kim).

Representatives Souki, Takamine, Caldwell and Blundell.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 97-04 on S.B. No. 2281

The purpose of this measure is to permit the High Technology Development Corporation to deposit moneys into a private trust account, maintained in a bank or financial institution, that are collected or received for:

- (1) Projects under a contract for services; and
- (2) The development, management, operation, and maintenance of non High Technology Development Corporation industrial parks, projects, and facilities.

This measure also removes the cap on the High Technology Special Fund.

To allow the High Technology Development Corporation more flexibility, this measure will allow it to establish a private trust account for moneys it collects and receives for projects under a contract for services, as provided in section 206M-3.4. Your Committee on Conference finds that these funds are external to state funds and are a source of funding that helps offset the Corporation's operating and payroll expenses.

Your Committee on Conference further finds that this measure would provide flexibility to the High Technology Development Corporation in managing and supervising a greater number of high technology related projects by removing the limits on the High Technology Special Fund.

Your Committee has amended this measure by changing the effective date so that this measure takes effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2281, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2281, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Fukunaga, Taniguchi, Aduja, Kokubun and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hemmings).

Representatives Schatz, Takamine, Wakai and Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Marumoto).

Conf. Com. Rep. 98-04 on S.B. No. 2690

The purpose of this measure is to supplement the general funds appropriated to the emergency medical system by establishing an emergency medical services special fund.

Specifically, this measure allocates additional state motor vehicle registration fees to the Department of Health to use in operating the State's comprehensive emergency medical services system.

Your Committee on Conference has amended this measure by:

- (1) Raising the vehicle registration fee to \$25, and depositing \$5 into the emergency medical services special fund;
- (2) Appropriating moneys from the general fund to help start up the special fund, and providing for a reimbursement by June 30, 2006;
- (3) Assuring that the moneys in the special fund do not supplant funding for emergency medical services authorized prior to the enactment of this measure;
- (4) Inserting a dollar amount for each appropriation;
- (5) Adding a severability section; and
- (6) Making the measure effective on July 1, 2004, while providing that section 3 increasing the vehicle registration fee, be effective October 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2690, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2690, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kokubun, Chun Oakland, Taniguchi, Tsutsui and Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

Representatives Arakaki, Shimabukuro, Nishimoto and Bukoski.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 99-04 on S.B. No. 2134

The purpose of this measure is to establish the emergency environmental workforce to assist the counties in their fight against invasive species and to appropriate an unspecified amount of funds for that purpose.

Your Committee on Conference finds that the emergency environmental workforce that was originally established by Act 4, Third Special Session of 2001, in response to the September 11, 2001 national tragedy, proved effective in containing the dengue fever epidemic; eradicating the miconia plant and other invasive species; and reducing coqui frog and fire ant populations. While the workforce was initially intended to be a temporary measure to assist residents of Hawaii who were negatively impacted with reduced work schedules or layoffs by the national tragedy, your Committee on Conference believes that the program should be continued on a permanent basis due to its outstanding success in combating invasive species.

Your Committee on Conference intends that the workforce program be integrated with the work of the Hawaii invasive species council and be funded through moneys allocated to the council to fulfill its important legislative mandate against the proliferation of invasive species.

Your Committee on Conference amended this measure by:

- (1) Clarifying that the emergency environmental workforce is a program that is administered by the Research Corporation of the University of Hawaii;
- (2) Adding a requirement that the Research Corporation of the University of Hawaii submit a report on the emergency environmental workforce program to the legislature every year; and
- (3) Deleting the unspecified appropriation.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2134, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2134, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Kokubun, Kawamoto, Taniguchi and Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Hemmings).

Representatives Morita, Takamine, Waters and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 100-04 on S.B. No. 2440

The purpose of this measure is to clarify the definition of "family" with respect to the assignment of 999-year homestead leases and certificates of occupation.

Your Committee has amended this measure by amending the definition of "family" to include parent's siblings, children of a parent's siblings, or grandchildren of a parent's siblings.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2440, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2440, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Chun Oakland, English, Espero, Ihara and Whalen.
Managers on the part of the Senate.
Ayes, 6. Noes, none. Excused, 1 (Whalen).

Representatives Kanoho, Kahikina, Hamakawa, Kawakami and Stonebraker.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. 101-04 on S.B. No. 3049

The purpose of this measure is to enable more of Hawaii's charitable organizations to offer charitable gift annuities as a method of raising money for their charitable work. As the "boomer" generation enters normal retirement age, charitable gift annuities are becoming an increasingly popular way for individuals to make a gift to a favorite charity within the context of their retirement and estate planning.

A charitable gift annuity is a contract under which a charity, in return for a transfer of cash, marketable securities, or other property, agrees to pay an individual a fixed sum of money for life. A charitable gift annuity is not regulated as either an insurance contract or as a security.

Currently, Hawaii law severely restricts the use of charitable gift annuities. Organizations wishing to offer a charitable gift annuity must:

- (1) Have obtained tax exempt status pursuant to section 501(c)(3) of the Internal Revenue Code;
- (2) Have been in continuous operation in Hawaii for the preceding ten years;
- (3) Have a net worth of \$5,000,000;
- (4) Maintain a separate annuity fund consisting of at least one-half the value of the annuity; and
- (5) File an annual compliance statement with the Department of Commerce and Consumer Affairs (DCCA).

Due to the \$5,000,000 net worth requirement, few charities in Hawaii qualify to issue charitable gift annuities.

Your Committee on Conference finds that in expanding the authority to issue charitable gift annuities to additional charitable organizations, it is necessary to be mindful of both the expectations of donors and the needs of the charitable organizations.

Under the measure, as received, the authority to offer charitable gift annuities would apply if the charitable organization:

- (1) Obtained tax exempt status pursuant to section 501(c)(3) of the Internal Revenue Code (same as current law);
- (2) Was in continuous operation in Hawaii for the preceding ten years (same as current law);
- (3) Had assets of \$200,000 in cash or cash equivalents (\$5,000,000, under the current law, but not limited to cash or cash equivalents);
- (4) Maintained segregated assets that are an actuarially sound reserve for the outstanding annuity agreements, plus the greater of \$200,000 or ten per cent of the reserves (one-half of the gift, under the current law);
- (5) Annually filed a statement of compliance with DCCA (same as the current law);
- (6) Invested and managed the assets in the segregated account as would a prudent investor (new requirement);
- (7) Used an annuity payment rate not greater than a recommended rate; and
- (8) Stated prominently, on the first page of the charitable gift annuity, that the annuity is not subject to regulation or protected by the state guaranty fund (new requirement).

Therefore, the essential difference between the current law and this measure is in a trade-off between the "entrance requirement" and the "reserve requirement". The current law has a very high entrance requirement (\$5,000,000), but a weak reserve requirement (one-half of the charitable gifts' value). While this measure substantially reduces the entrance requirement to allow more charities to qualify, it establishes a balance by increasing the reserve requirement.

The new reserve requirement, unlike the old entrance requirement, is a "scaled" requirement that operates equally effectively and efficiently for both smaller and larger organizations. The new entrance requirement is about average for the fifty states, whereas the current entrance requirement is uniquely onerous. The new reserve requirement is one of the most stringent in the nation.

Your Committee on Conference further finds that the proposed trade-off is a safe and appropriate way to allow more charities to utilize the charitable gift annuity, providing reasonable assurance that both the expectations of the donors and the needs of charities will be met.

Your Committee on Conference has amended this measure to:

- (1) Require that annual compliance statements be filed with the Department of the Attorney General, rather than DCCA, consistent with changes in the supervision of charitable organizations being effected in S.B. No. 2839, S.D. 2, H.D. 2, C.D. 1;
- (2) Reduce the minimum surplus reserve requirement from \$200,000 to \$100,000. This requirement is not to be confused with the net asset requirement of \$200,000 in cash or cash equivalents, and is an amount that is above and beyond the actuarially established need, or a "cushion". Despite this reduction, when the segregated reserves exceed \$1,000,000, the surplus requirement will still exceed \$100,000, because the cushion must also be equal to 10% of the segregated reserves; and
- (3) Delete the annuity payment rate cap, as to an extent, the same function is already provided by the stringent reserve requirement which increases as the annuity payment rate increases, thereby acting as a disincentive to offering high rates. Since the benefit to a charity decreases as the payment rate increases, the charity has little incentive to offer premium rates.

Your Committee on Conference further finds that few states have imposed statutory limits on annuity payment rates, perhaps for practical reasons. New Hampshire, which is one of them, limits the annuity payment rate to no more than the rates recommended by the American Council on Gift Annuities (ACGA) at the time of issue of each agreement, which is a reasonable cap. In fact, a recent survey found that the overwhelming majority of charitable gift annuities are written at or below these recommended rates. The ACGA rates are, effectively, the de facto standard for the industry.

However reasonable the ACGA rates, your Committee on Conference has determined not to follow New Hampshire's lead, as the legislative adoption of a cap subject to amendment by a private entity raises the issue of an unconstitutional delegation of legislative power.

Finally, your Committee on Conference has amended this measure to take effect on July 1, 2004, and by making technical amendments for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3049, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3049, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Kokubun and Whalen.

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

Representatives Hiraki, Takamine, Magaoay and Stonebraker.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. 102-04 on S.B. No. 2396

The purpose of this measure is to provide a general excise tax exemption for certain organizations from fees received from convention, conference, and trade shows, including fees for exhibit space, advertising, promotion and private contributions.

Your Committee on Conference finds that the Hawaii Convention Center may lose potential convention bookings due to the pyramiding effect of the general excise tax on charitable organizations. Your Committee on Conference further finds that the Hawaii Convention Center plays a vital role in fueling the State's primary economic engine – tourism. While a previous legislative initiative addressed the pyramiding effect of the general excise tax, income derived from exhibition space at the convention center was not incorporated in the measure. This bill eliminates the pyramiding impact on charitable organizations for fees collected for exhibit or display space, while providing that vendor sales through the use of the exhibit or display space remain subject to the general excise tax.

Your Committee on Conference has amended the measure by:

- (1) Adding clarifying language to include all nonprofit organizations recognized as tax exempt under section 501(c) of the Internal Revenue Code of 1986, as amended;
- (2) Deleting the general excise tax exemption for registration fees, advertising and promotion fees, and private contributions; and
- (3) Changing the effective date to July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2396, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2396, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Taniguchi, Tsutsui and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Chang, Takamine, Karamatsu and Ontai.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ontai).

Conf. Com. Rep. 103-04 on S.B. No. 2529

The purpose of this bill is to improve the administration of state finances.

Specifically, this bill authorizes the use of certificates of deposit issued through the Certificate of Deposit Account Registry Service to secure public funds. The bill authorizes the use of certificates of deposit that use a network of financial institutions to share deposits insured by the Federal Deposit Insurance Corporation in an amount at least equal in their market value, but not to exceed their par value, to the amount of the deposit with the depository. The bill further allows the Director of Finance to make short-term investments of state moneys in those certificates of deposit.

Your Committee upon further consideration has amended S.B. No. 2529, H.D. 1 by deleting its contents and substituting the contents of the original senate version of S.B. No. 2529 in its place. In effect, this amendment removes section 1 of the bill, which amends section 36-21, Hawaii Revised Statutes, authorizing the Director of Finance to make short-term investments of state moneys in those certificates of deposit.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2529, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2529, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takamine, Kawakami, Nakasone and Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 104-04 on S.B. No. 2045

The purpose of this measure is to make an appropriation to the Hawaii Civil Air Patrol.

This measure would enable the Civil Air Patrol to resume flight operations and training in support of state and county civil defense agencies. This support includes airborne tsunami and hurricane warnings, disaster relief, and search and rescue operations. Thus, the Civil Air Patrol plays a vital role in civil defense.

Your Committee on Conference has amended this measure by appropriating \$50,000 to be matched by the Hawaii Department of Defense, and making the measure effective on July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2045, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2045, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Taniguchi, Kanno and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Kanno).

Representatives Ito, Takamine, Mindo and Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Moses).

Conf. Com. Rep. 105-04 on S.B. No. 2165

The purpose of this measure is to enhance the medical treatment of drug-addicted newborn infants and the appropriate referrals for their families, and to require the Department of Human Services to seek federal grants.

This measure will assist Hawaii in conforming to the federal provisions of the Child Abuse Prevention and Treatment Act and Keeping Children and Families Safe Act.

Your Committee has amended this measure by correcting its effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2165, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2165, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Taniguchi, Kim, Kokubun, Tsutsui and Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 3 (Kim, Kokubun, Taniguchi).

Representatives Kahikina, Arakaki, Kawakami and Stonebraker.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 106-04 on S.B. No. 2936

The purpose of this measure is to expand state-funded medical assistance to pregnant legal immigrants.

Providing timely and prenatal care enhances the chances of the birth of a healthy baby and lessens the probability of a complicated delivery or further health problems. This measure will help in providing the much needed assistance to eligible immigrant mothers who would otherwise not be able to afford the medical care.

Your Committee has amended this measure by changing its effective date to July 1, 2004 and authorizing the Department of Human Services to provide state-funded medical services rather than requiring them to do so.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2936, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2936, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Kokubun, Tsutsui and Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Kokubun, Tsutsui).

Representatives Kahikina, Arakaki, Kawakami and Moses.

Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 107-04 on S.B. No. 779

The purpose of this measure is to establish a new defined benefit hybrid contributory plan, class H membership, in the Employees' Retirement System (System).

Specifically, the measure:

- (1) Establishes a new defined benefit hybrid contributory plan to be known as class H membership in the System;
- (2) Amends Chapter 88, Hawaii Revised Statutes, to provide consistency among the three retirement plans;
- (3) Authorizes the System to accept moneys from deferred compensation and tax-sheltered annuity plans for the purchase of noncontributory membership service credits;
- (4) Appropriates an unspecified amount out of the System's investment earnings for fiscal year 2004-2005 to implement the new hybrid contributory plan;
- (5) Makes numerous amendments to the existing retirement system law to improve and clarify the System's existing authority; and
- (5) Takes effect on July 1, 2010.

The measure establishes a hybrid or "class H" membership classification of the System that is a blending of the years of service and age requirements of class C noncontributory membership with the salary contribution requirement and pension percentage accrual rates of class A contributory membership. System members who are in active service on June 30, 2006, or return to service after June 30, 2006, may elect to become class H members. Class C members who elect to become class H members are also provided with the option to convert all or a portion of their credited class C service to class H service. All public employees, with the exception of elected officials and judges, whose initial service entry date is after June 30, 2006, will be class H members.

In comparison to class C membership, class H members with the same number of years of service and who earn the same salary or wage will receive a higher pension allowance due to the fact class H members contribute a portion of the wages or salaries toward their pension, whereas class C members do not.

In comparison to class A membership, class H members with the same number of years of service who earn the same salary or wage, will receive the same pension amount as their class A counterparts, contribute less of their salaries or wages toward their pension (six per cent as opposed to class A member's seven and eight-tenths per cent, except for police officers, firefighters, and others who contribute twelve and two-tenths per cent) but will have to wait longer to receive a non-actuarially reduced pension (sixty-two as opposed to fifty-five years of age).

More specifically, a class H member:

- (1) Pays six per cent of the member's compensation, except for sewer workers, water safety officers, and emergency medical technicians who contribute 9.75 per cent of their compensation;
- (2) Must accrue at least:
 - (A) Five years of credited service and attain the age of sixty-two years;
 - (B) Thirty years of credited service and attain the age of at least fifty-five years; or
 - (C) The minimum years of service required for being a sewer worker, water safety officer, or emergency medical technician; in order to receive a non-actuarially-reduced retirement benefit; and
- (3) Earns two per cent of the member's average final compensation for each year of credited service.

In other respects, such as pension allowance payment options, disability and death benefits, and other related operational and administrative provisions, class H membership is substantially identical to class A and C membership.

The measure also provides the System with the flexibility to alter the mode of a pension allowance elected by a retirant who retires after November 30, 2004, in the occurrence of a:

- (A) Retirant who elects a retirement allowance less than the maximum, whose beneficiary dies after the retirant retired but before the retirant's death;
- (B) Retirant who dies after filing an application to retire, but before the specified retirement date; or
- (C) Retirant who dies within a year after the date of retirement.

Under existing law and under the abovementioned circumstances, the Employees' Retirement System is unable to alter a pension allowance election. The unfortunate outcome in these situations is that, through a good faith allowance mode election and the unexpected passing of the retirant or a beneficiary, the surviving retirant or beneficiary is unable to enjoy the full benefit of the retirant's earned pension. The measure ameliorates this problem for all members of the System.

The measure further provides that for contributory members of the System who possess less than five years of credited service and who cease to be members of the System, upon application to the System's board of trustees, the member may receive all of the member's contributions to the System plus regular interest. Existing law does not allow the System to pay a member interest on refunded contributions. The measure also clarifies that class C members of the System, upon certification, shall have their creditable active military service credited as class C credit at no cost to the member.

Upon further consideration, your Committee on Conference has amended the measure as requested by the Employees' Retirement System by, among other things:

- (1) Extending the time period in which Employees' Retirement System members may structure their payroll deduction payments to convert class C service to class H service from five to ten years;
- (2) Inserting the amount of \$1,580,000 as the amount appropriated out of the Employees' Retirement System's investment earnings to carry out the purposes of the measure;
- (3) Changing the effective date from July 1, 2010, to July 1, 2004; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, style, and correcting a typographical error.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 779, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 779, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Espero, Kokubun and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Espero, Whalen).

Representatives M. Oshiro, Takamine, Nakasone and Blundell.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 108-04 on S.B. No. 2930

The purpose of the measure is to make the following administrative amendments:

- (1) Extend the statutory authority for the licensing of home and community-based case management agencies and the certification of community care foster family homes until June 30, 2006;
- (2) Make the Department of Human Services or its designee responsible for certifying any community care foster family homes; and
- (3) Require adult protective services perpetrator checks as a requirement for certification.

This bill also appropriates funds to be expended by the Department of Human Services and the Department of the Attorney General.

To ensure service quality and competency, the Department of Human Services needs to maintain oversight of home and community-based case management agencies and community care foster family homes. This measure will extend its authority to do so. Furthermore, including adult protective service checks will establish a procedure that is currently being practiced to ensure the health and safety of individuals utilizing these facilities.

Your Committee has amended this measure by deleting the appropriations and changing the measure's effective date to June 29, 2004, provided that section 1 shall take effect on February 1, 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2930, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2930, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Taniguchi, Kim, Kokubun, Tsutsui and Trimble.
Managers on the part of the Senate.
Ayes, 6. Noes, none. Excused, 1 (Kokubun).

Representatives Kahikina, Arakaki, Kawakami and Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Arakaki).

Conf. Com. Rep. 109-04 on S.B. No. 3230

The purpose of this measure is to appropriate funds for childhood care programs.

Your Committee agreed to incorporate language using the Hui Imua O Koolauloa project as a model for the types of delivery systems to be funded by this measure. The Hui Imua O Koolauloa project has proven successful in providing services for underserved, high-risk families. Considering the many needs that exist in our communities, \$200,000 has been designated for the establishment of a pilot program in East Hawaii.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3230, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3230, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Sakamoto, Taniguchi, Fukunaga and Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Taniguchi).

Representatives Kahikina, Takumi, Kawakami, Shimabukuro and Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Leong).

Conf. Com. Rep. 110-04 on S.B. No. 1239

The purpose of this measure is to allow the delivery of biodiesel to state harbors; reduce harbor fees for alternative fuel vessels; reduce total fuel taxes for ethanol, methanol, biodiesel, and other alternative fuels, other than liquefied petroleum gas; and establish a preference in public contracts for the use of biofuels.

Your Committee on Conference finds that supporting the production and use of alternative fuels promotes the State's public interest by reducing its dependence on traditional fossil fuels.

Your Committee on Conference amended the measure by deleting the provisions pertaining to the delivery of biodiesel to state harbors, reducing harbor fees for alternative fuel vessels, establishing a preference for the use of biofuels in public contracts, and the savings clause. Your Committee on Conference further amended the measure by changing its effective date to July 1, 2004 and making it applicable to taxable years beginning after December 31, 2003.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1239, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1239, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Kokubun, Baker, Hooser, Kim and Taniguchi.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Baker, Taniguchi).

Representatives Morita, Souki, Kawakami and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Kawakami).

Conf. Com. Rep. 111-04 on S.B. No. 3162

The purpose of this measure is to clarify that financial institutions, partnerships, S corporations, estates, and trusts are eligible to claim a renewable energy technologies income tax credit and to allow any unused credit to be claimed in subsequent taxable years until exhausted.

Your Committee on Conference finds that incentives to encourage the development, production, and use of renewable energy are needed to reduce that State's dependence on fossil fuels. This measure clarifies and facilitates the taxpayers' ability to utilize one such incentive.

Your Committee on Conference amended the measure by correcting the defective effective date by making the measure effective upon approval and making the measure applicable to taxable years beginning after December 31, 2002.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3162, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3162, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Kokubun, Hooser and Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

Representatives Takamine, Kawakami, Waters and Bukoski.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 112-04 on S.B. No. 3153

The purpose of this measure is to appropriate funds to support the cooperative efforts for soil renutrification research on former pineapple lands in west Maui.

Your Committee finds that soil renutrification will accommodate diversified agriculture and promote sustainable agriculture. For purposes of receiving federal funds, your Committee on Conference contemplates that indirect costs on the grant shall be reimbursed at a rate of twelve per cent of modified total direct costs. Your Committee on Conference further contemplates that Maui Ag Partners and the Pacific cooperative studies unit of the college of natural sciences at the University of Hawaii shall use a rate of twelve per cent for modified total direct costs for indirect costs.

After careful consideration, your Committee on Conference amended this measure by changing the effective date to July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3153, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3153, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Inouye, Baker, Kokubun, Taniguchi and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Hemmings).

Representatives Abinsay, Takamine, Sonson and Jernigan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Sonson).

Conf. Com. Rep. 113-04 on S.B. No. 3148

The purpose of this measure is to:

- (1) Allow the establishment of a noncontiguous host culture charter school district under the Board of Education to be monitored by a host culture district council as a five year pilot demonstration project; and
- (2) Allow the establishment of a noncontiguous charter school district under the Board of Education.

Your Committee finds that charter schools are a valuable reform model that effectively educate a diverse array of students who may not be best served by traditional public schools. One such group of students includes the youth of the host culture of the State of Hawaii. Schools that serve them could become eligible for additional federal funding if a consortium of such schools were to be recognized as a noncontiguous charter school district, thus gaining credentials as a local educational authority.

However, these advantages should be made equally available to other charter schools, including those not focused on serving host culture students. Nevertheless, the creation of one or more noncontiguous charter school districts would be a major change in the policy environment affecting charter schools. This has the potential to significantly alter the relationships between government agencies, charter schools, and other key stakeholders in ways that may be unanticipated or counterproductive. In order to maximize the potentially positive results of creating one or more noncontiguous charter school districts, a careful study should be conducted first.

Your Committee has amended the measure by requiring the Legislative Reference Bureau to conduct a feasibility study to be submitted to the Legislature no later than twenty days prior to the regular session of 2005:

- (1) Regarding the establishment of a noncontiguous host culture charter school district and noncontiguous charter school district; and
- (2) Examining and clarifying the relationships between government agencies, charter schools, and other key stakeholders that may be altered by creating such a district.

Your Committee has further amended the measure by exempting the Legislative Reference Bureau from chapter 103D of the Hawaii Revised Statutes for the purposes of this measure.

In conducting the study, the Legislative Reference Bureau shall review and consider, but not be limited to, the proposals set forth in Senate Bill 3148, S.D. 2 and Senate Bill 3148, S.D. 2, H.D. 3.

If the Legislative Reference Bureau is unable to conduct the study by itself out of available resources, the Legislature urges the Office of Hawaiian Affairs to work with the Legislative Reference Bureau to secure the necessary resources. This may include working with consultants or other entities deemed appropriate by the Legislative Reference Bureau.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3148, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3148, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Hanabusa, Taniguchi, Kokubun and Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Takumi, Kanoho, Kawakami, Kaho`ohalahala and Ontai.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Ontai).

Conf. Com. Rep. 114-04 on S.B. No. 3020

The purpose of this measure is to provide funding for the staffing and facilities needed to ensure that the intent of the multi-track schooling approach does not result in lower quality education for communities with high population growth.

Your Committee finds multi-track schooling provides an effective means of maximizing the number of students that can be served by a school's physical plant by establishing multiple schedule tracks for different groups of students. However, such an arrangement makes atypical demands on personnel resources. In particular, this includes the conversion of positions to twelve-month terms of service.

Your Committee has amended the measure by:

- (1) Appropriating \$175,000 for the conversion of a counselor position to a twelve-month term of service at Kapolei Elementary School and the conversion of eight teacher positions to twelve-month terms of service at Kapolei Middle School; and
- (2) Making the measure effective on July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3020, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3020, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kanno, Taniguchi, Hooser and Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Takumi, Kawakami, Evans and Ontai.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ontai).

Conf. Com. Rep. 115-04 on S.B. No. 2424

The purpose of this measure is to preserve and extend civil service rights, privileges, and benefits to certain employees of new century conversion charter schools.

Your Committee on Conference finds that Act 2, Session Laws of Hawaii 2002, enabled a non-profit corporation to partner with an existing public school to become a new century conversion charter school. Your Committee on Conference further finds that new century conversion charter schools provide the opportunity for greater flexibility, choice, and accountability in public schools, while concentrating on improved student achievement. However, an unintended consequence of authorizing the charter school conversion process was the loss of civil service benefits and privileges for certain employees. Your Committee on Conference determines that the benefits of civil service status should be preserved. Therefore, civil service employees of the Department of Education schools shall retain their civil service status upon the conversion of their school to a charter school. Additionally, civil service status shall be granted to employees hired after a school's conversion who are in positions that would be civil service positions in a Department of Education school.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that an employee with civil service status who transfers to another civil service position shall be entitled to the rights, privileges, and benefits of continuous, uninterrupted civil service; and

- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2424, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2424, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Sakamoto, Taniguchi, Hooser and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Hogue).

Representatives M. Oshiro, Takumi, Takamine and Pendleton.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 116-04 on S.B. No. 420

The purpose of this bill is to:

- (1) Repeal certain revolving and special funds that:
 - (a) No longer serve the purpose for which they were originally established;
 - (b) Are not an appropriate means of financing for the programs or activities; or
 - (c) Are not financially self-sustaining;
- (2) Transfer unexpended and unencumbered balances in the funds to the state general fund; and
- (3) Provide general fund appropriations for fiscal year 2003-2004 and fiscal year 2004-2005 to finance the continuation of selected programs or activities.

Your Committee on Conference has amended this bill by deleting its contents and inserting provisions that would transfer excess balances contained in the Compliance Resolution Fund to the general fund for fiscal year 2004-2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 420, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 420, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kawamoto, Kokubun, Tsutsui and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

Representatives Takamine, Kawakami, Nakasone and Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. 117-04 on S.B. No. 214

The purpose of this measure is to require Leeward Community College to develop pilot programs in Waipahu and Kalihi for the provision of services to the immigrants from the Freely Associated States—the Republic of the Marshall Islands, the Republic of Palau, and the Federated States of Micronesia, to assist them in being assimilated, educated, trained, and prepared for gainful employment. This measure also provides for the appropriation of funds from the general fund for the establishment of the pilot programs.

Your Committee on Conference finds that a great influx of Micronesian, Marshallese, and Palauan immigrants has occurred over the past few years; however, the community has been unable to provide adequate services to these immigrants in order to assist them in assimilating and becoming gainfully employed members of the community. The problem extends from the very young, who are lacking proper educational and language services, to adults, who are ill-equipped to obtain employment due to a lack of language skills, education, and training.

Your Committee on Conference determines that Leeward Community College, an institution committed to the betterment of diverse ethnic populations, is the ideal institution for developing and administering a program to provide comprehensive services to the Micronesian, Marshallese, and Palauan communities. Furthermore, areas on Oahu which require particular attention include Waipahu, Kalihi, and the Downtown-Lunalilo corridor, where the number of these immigrants is much higher. These areas require pilot programs to provide comprehensive services to the greatest number of Micronesian, Marshallese, and Palauan immigrants for the

betterment of the their quality of life, as well as the development of a skilled workforce that need not become dependent upon public assistance.

Unfortunately, your Committee on Conference also determines that current fiscal constraints prohibit the appropriation of State funds for this measure. Therefore, alternate funding sources must be ascertained and utilized by Leeward Community College to develop and implement the pilot program.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Authorizing, rather than requiring, Leeward Community College to develop a program to provide services to the Freely Associated States citizens;
- (2) Clarifying that the service areas where Freely Associated States citizen populations necessitate services include Waipahu, Kalihi, and the Downtown-Lunalilo corridor;
- (3) Deleting the appropriation of funds from the general fund for purposes of the Act;
- (4) Including language which prohibits Leeward Community College from using general funds otherwise allocated to itself and requiring the program to instead be funded by private contributions or federal funding that is sought solely for the purposes of the Act;
- (5) Clarifying that Leeward Community College is required to submit a report to the Legislature indicating the status of the development of the program; and
- (6) Making the Act effective upon approval, rather than on February 31, 3004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 214, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 214, S.D. 3, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Sakamoto, Taniguchi, Espero, Kokubun and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

Representatives M. Oshiro, Takai, Takamine and Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 118-04 on S.B. No. 2073

The purpose of this measure is to amend the law authorizing the University of Hawaii (UH) to establish an optional retirement system for its eligible employees.

Specifically, this measure:

- (1) Provides that employees who are eligible for participation in the optional retirement system include employees who are members of collective bargaining units (7) and (8), except part-time employees working less than twenty-hours per week or temporary employees, employees excluded from bargaining units (7) and (8), and appointees of the Board of Regents who are eligible for membership in the employees' retirement system;
- (2) Requires the Board of Regents to designate at least three investment vendors for the optional retirement system, based upon specified criteria;
- (3) Requires the State to pay to UH an annual contribution amount of six per cent of the employee's compensation;
- (4) Prohibits the State's annual contribution from exceeding the amount of the State's contribution on behalf of the Governor to the employees' retirement system;
- (5) Requires UH to pay for any contribution amount owed on behalf of the employee in excess of the State's contribution.

Your Committee on Conference finds that the existence of an optional retirement system is crucial to UH's efforts to recruit and retain qualified employees. Although the law provides for the establishment of an alternative retirement system at UH, the law also limits the employer's contribution to an optional retirement plan to the amount for any group covered by the employees' retirement system. This limitation renders the implementation of an optional system for UH essentially impossible, as the amount of the employer's contribution fluctuates based on market conditions. Your Committee on Conference determines that this limitation should be removed and that the State should be required to remit to UH an amount equal to six percent of the employee's compensation, an amount determined to be the normalized employer contribution rate for the employees' retirement system, in lieu of any contribution it would have made on the employee's behalf.

Additionally, because employees in higher education are often highly mobile, UH's optional retirement system should be comparable to those offered at other state universities, including a choice of investment vendors, to enable UH to compete with other universities for the most qualified individuals.

Your Committee on Conference has worked closely with the interested parties, including the Board of Regents and the Hawaii Government Employees Association, to craft language that will optimize the objectives of the parties. Therefore, upon further consideration, your Committee on Conference has amended this measure by:

- (1) Limiting the employees who are eligible for participation in the optional retirement system to appointees of the UH Board of Regents, on or after the effective date of the Act, who are eligible for membership in the employees' retirement system;
- (2) Requiring UH to make an annual contribution to the optional retirement system on behalf of an employee;
- (3) Specifying that the State's annual contribution for any employee shall not exceed six per cent of \$100,000;
- (4) Clarifying that upon election of enrollment in the optional retirement system, a person who remains employed by UH may not transfer from the optional retirement system to the employees' retirement system;
- (5) Prohibiting service under the optional retirement system from being creditable as service under the employees' retirement system;
- (6) Making the Act effective upon its approval and repealed on July 1, 2009, rather than effective on July 1, 2010; and
- (7) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2073, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2073, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Sakamoto, Taniguchi, Espero, Kokubun and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Espero, Kokubun).

Representatives Takai, M. Oshiro, Takamine and Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 119-04 on S.B. No. 2355

The purpose of this measure is to clarify the health benefits provided upon retirement to public employees who transferred or experienced a break in service before subsequently returning to state or county employment.

Specifically, this measure:

- (1) Provides that the State or counties will pay the full base monthly contribution amount for health benefits plans for an employee hired prior to July 1, 1996, who:
 - (a) Transfers employment after June 30, 1996, and accrues at least ten years of credited service;
 - (b) Has at least ten years of credited service prior to a break in service; or
 - (c) Has had a break in service and who accrues at least ten years of credited service; and
- (2) Provides that the State or counties shall pay a monthly contribution amount for health benefits plans, in accordance with section 87A-35, Hawaii Revised Statutes (HRS), for an employee hired subsequent to June 30, 1996, and prior to July 1, 2001, who:
 - (a) Transfers employment after June 30, 2001, and accrues at least ten years of credited service; and
 - (b) Has at least ten years of credited service prior to a break in service.

Your Committee on Conference finds that an employee, initially hired prior to July 1, 1996, who leaves and then later returns to public service, may be treated as a new employee for purposes of determining the level of health benefits to be provided upon retirement under the Hawaii Employer-Union Health Benefits Trust Fund. Although such an employee may have qualified for health benefits upon retirement that an employee who was hired prior to July 1, 1996, who has not experience a break in service, is entitled to receive, it is unclear under the current law as to how such an individual will be treated. Therefore, further clarification of the law is necessary.

Under the current law, public employees hired prior to July 1, 1996, who accrue at least ten years of credited service, are entitled to health coverage upon retirement funded entirely by the State or appropriate county. Therefore, your Committee on Conference believes that employees satisfying the aforementioned criteria, who also either transfer employment or experience a break in service, should be entitled to receive the same health benefits upon retirement as an individual who was hired before July 1, 1996, and leaves public service without returning with at least ten years of credited service. Additionally, so as not to diminish any benefits currently provided under the law, this measure ensures that public employees hired between June 30, 1996, and July 1, 2001, who transfer employment and accrue at least ten years of credited service or accrued at least ten years of credited service prior to experiencing a break in service are entitled to health coverage upon retirement which is partially funded by the State or county as provided in section 87A-35, HRS.

Based upon an opinion rendered by the Department of the Attorney General reflecting disapproval of the ramifications of the provisions of this measure, your Committee on Conference has amended this measure by:

- (1) Deleting the language which required the State or counties to pay the full base monthly contribution amount for health benefits plans for an employee hired prior to July 1, 1996, who has had a break in service and who cumulatively accrues at least ten years of credited service; and
- (2) Making its provisions effective upon approval, rather than on July 1, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2355, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2355, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kim, Kokubun, Tsutsui and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 3 (Kim, Tsutsui, Slom).

Representatives M. Oshiro, Nakasone, Mindo and Pendleton.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

Conf. Com. Rep. 120-04 on S.B. No. 2873

The purpose of this measure is to amend the method for determining the employer's contribution amount to the Employees' Retirement System commencing in fiscal year 2005-2006 as follows:

- (1) 15.75 percent of a member's compensation for police and firefighters; and
- (2) 13.75 percent of a member's compensation for all other employees.

This measure also eliminates the separate computation of contributions for the Early Incentive Retirement Plan authorized under Act 212, Session Laws of Hawaii 1994.

Your Committee on Conference finds that employer contributions to the Employees' Retirement System are currently calculated based upon annual actuarial valuations that are determined in dollar amounts which account for normal cost and amounts required to amortize the projected unfunded liability within a statutorily established period of time. Your Committee on Conference determines that funding requirements can fluctuate significantly from year to year and, therefore, a more stable methodology for calculating the employer's contribution amount would be more beneficial. Establishing the employer's contribution to the Employees' Retirement System as a percentage amount will facilitate more predictable budget requirements and cash flow, curb increases in employer contributions as a result of short-term adverse conditions, and provide employees with added security benefits.

Additionally, the elimination of a separate computation for the Early Incentive Retirement Plan contributions will also streamline the administration of the Early Incentive Retirement Plan without materially affecting the amount of the contributions.

Upon further consideration, your Committee on Conference has amended this measure by making its provisions effective on July 1, 2005, rather than on July 1, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2873, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2873, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Espero, Kokubun and Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Kokubun, Slom).

Representatives M. Oshiro, Takamine, Nakasone and Blundell.
Managers on the part of the House.

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

Conf. Com. Rep. 121-04 on S.B. No. 2878

The purpose of this measure is to apply the federal tax limit on compensation to be taken into consideration in determining pension benefits under the Employees' Retirement System's (ERS) tax-qualified retirement plan.

Your Committee on Conference finds that the plan provided under the ERS is intended to be a tax-qualified retirement plan under section 401(a) of the Internal Revenue Code (IRC) of 1986, as amended. Pursuant to section 401(a)(17) of the IRC of 1986, as amended, the annual compensation that may be taken into account in determining benefit accruals under the ERS is limited. However, under Hawaii law, no provision existed to address such salary limits with respect to the ERS on July 1, 1996. Additionally, Article XVI, Section 2, of the Constitution of the State of Hawaii prohibits either the diminishment or impairment of an ERS member's accrued benefit. Therefore, your Committee determines that in order to accomplish retroactive compliance with section 401(a)(17) of the IRC of 1986, as amended, accrued benefits must be provided under a non-tax qualified plan for the affected members, with the necessary funds being appropriated to such non-tax qualified plan for the payment of the accrued benefits.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Including an appropriation amount of \$369,350 to fund the non-tax qualified benefits for affected members of the ERS;
- (2) Making the provisions of the measure effective on July 1, 2004; provided that the amendment to Chapter 88, Hawaii Revised Statutes, under section 2 of the measure is effective retroactive to July 1, 1996; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2878, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2878, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Espero and Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Espero).

Representatives M. Oshiro, Takamine, Nakasone and Blundell.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 122-04 on S.B. No. 2879

The purpose of this measure is to conform the Employees' Retirement System to the requirements of section 401(a) of the Internal Revenue Code of 1986, as amended.

Specifically, this measure:

- (1) Incorporates the necessary provisions required for pension plans of state and local governments to qualify as tax-qualified plans under the Internal Revenue Code;
- (2) Requires the Board of Trustees of the Employees' Retirement System to adopt any remaining required rules to facilitate qualification as a tax-qualified retirement plan under the Internal Revenue Code;
- (3) Provides for expedited rulemaking by the Board of Trustees of the Employees' Retirement System to comply with the requirements of section 401(a) of the Internal Revenue Code of 1986, as amended;
- (4) Includes a definition for the term "compensation"; and
- (5) Amends the definition of "actuarial equivalent" to allow the computation of the benefit to be based upon actuarial tables and other written assumptions approved by the Board of Trustees.

Your Committee on Conference finds that pursuant to section 401(a) of the Internal Revenue Code of 1986, as amended, certain provisions are required to be included in state and local government pension plans. However, a number of these required provisions are not provided for under the current law and the rules adopted by the Board of Trustees of the Employees' Retirement System. Your Committee on Conference determines that in order to ensure that the tax-qualified status of the Employees' Retirement System is not further compromised, the law must be amended to allow the Employees' Retirement System to remain in compliance with the Internal Revenue Code.

Upon further consideration, your Committee on Conference has amended this measure by making its provisions effective upon approval, rather than on July 1, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2879, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2879, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Kokubun, Espero, Inouye and Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Inouye, Slom).

Representatives M. Oshiro, Takamine, Nakasone and Blundell.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 123-04 on S.B. No. 3106

The purpose of this measure is to allow a county to enter into an agreement with the State to extend the State's mandatory deferred compensation plan to part-time, temporary, and seasonal or casual county employees.

This measure also:

- (1) Requires a county to designate an agency to locally coordinate the plan; and
- (2) Authorizes the Department of Human Resources Development to levy fees on a county pursuant to rules adopted in accordance with Chapter 91, Hawaii Revised Statutes.

Your Committee on Conference finds that under the current law, the State and the counties are authorized to establish deferred compensation retirement plans in accordance with sections 457 and 3121 of the Internal Revenue Code of 1986, as amended, for its part-time, temporary, and seasonal or casual employees. However, unlike a deferred compensation retirement plan established by the State, participation in a county deferred compensation retirement plan is not mandatory. Mandatory participation in a deferred compensation retirement plan can be beneficial to both the employer and employees. The employees will experience increased earnings in that the money, which would otherwise be paid as FICA contributions, would be directed to a deferred compensation plan, with the funds and any accrued interest available to them upon termination. Moreover, the counties would be spared the expense of paying their share of the FICA contributions for those employees.

Your Committee on Conference determines that authorizing the State's deferred compensation retirement plan to be extended to the counties would avoid the unnecessary duplication of efforts associated with the administration and implementation of a separate county plan, ultimately resulting in savings to the counties. However, the State may incur additional costs as a result of extending its plan to the counties; therefore, the assessment of any necessary fees should also be permitted.

Upon further consideration, your Committee on Conference has amended this measure to make its provisions effective upon approval of the Act, instead of on February 31, 3004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3106, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3106, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Kawamoto, Taniguchi, Kokubun and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives M. Oshiro, Takamine, Nakasone and Blundell.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Blundell).

Conf. Com. Rep. 124-04 on S.B. No. 3018

The purpose of this measure is to allow an eligible member of the Employees' Retirement System who suffers from a service-related disability while serving as a police officer to receive a retirement allowance equal to two and one-half percent of the member's average final compensation for each year of credited service as a police officer.

Your Committee on Conference finds that Act 205, Session Laws of Hawaii 2002, provided a firefighter with at least ten years of credited service as a firefighter, who continues employment in public service other than as a firefighter after suffering a service-related disability, the benefit of receiving a retirement allowance of two and one-half per cent of the member's average final compensation. However, under the current law, a police officer who suffers a service-related disability and continues employment in public service in a capacity other than as a police officer is entitled to receive a retirement allowance calculated at only two percent of the member's average final compensation multiplied by the total number of years of credited service. Your Committee on Conference further finds that like firefighters, police officers perform functions vital to the protection of our communities while facing dangerous and stressful situations on a daily basis. Those police officers who fall victim to service-related disabilities should be recognized for their previous

years of dedicated service and should be duly compensated for such dedication upon retirement, should they remain in public service and be eligible to receive retirement benefits.

Your Committee on Conference has amended this measure by making its provisions effective on July 1, 2004, rather than July 1, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3018, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3018, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Espero, Inouye and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Inouye).

Representatives M. Oshiro, Takamine, Nakasone and Jernigan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Jernigan).

Conf. Com. Rep. 125-04 on S.B. No. 3175

The purpose of this measure is to allow the State's existing agreement with the federal government, pursuant to section 88-212, Hawaii Revised Statutes, to be modified to provide Medicare-only coverage to employees of the Center for Cultural and Technical Interchange Between East and West, Inc. (Center). This measure also requires the Center to reimburse all appropriate agencies for costs incurred as a result of the provision of benefits under Title XVIII of the Social Security Act to its employees.

Your Committee on Conference finds that in 1981 a referendum was held allowing employees of the Center to choose whether or not to be covered by the Social Security Act, with such decision being irrevocable. Subsequently, in 1986, the Social Security Administration, in recognition of a lack of hospital insurance coverage nationwide, modified the Social Security Act to require the provision of Medicare coverage for employees hired on or after April 1, 1986, who are not covered by Social Security. However, no mechanism currently exists for the provision of Medicare coverage for those employees hired prior to April 1, 1986.

Your Committee on Conference determines employees of the Center should be afforded the opportunity to secure coverage under the Medicare system and has amended this measure by making its provisions effective on July 1, 2004, rather than on July 1, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3175, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3175, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Kawamoto, Taniguchi, Espero, Sakamoto and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Slom).

Representatives M. Oshiro, Takamine, Nakasone and Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 126-04 on S.B. No. 1318

The purpose of this measure is to:

- (1) Establish the authority of the Department of Commerce and Consumer Affairs (DCCA) to adjust business registration fees and other nontax revenues to align revenue collections with expenditures;
- (2) Reduce business registration fees charged by DCCA; and
- (3) Require DCCA to establish and staff five-member advisory committees to serve as consultants to the Department's boards and commissions.

Your Committee on Conference finds that Section 60 of Act 200, Session Laws of Hawaii 2003, directed DCCA to analyze and report on its methods to align expenditures with special fund revenues. In December of 2003, DCCA submitted a report to the Legislature that outlined its proposal to reduce its surplus revenues, which included the reduction of fees for business registration filings. DCCA has also represented that it can decrease its current fee schedules without sacrificing its ability to provide effective and efficient service to the public. This measure effects that reduction of fees.

Additionally, this measure extends the authority to adjust fees and nontax revenues to all fees and nontax revenues administered by DCCA. Your Committee on Conference further finds that this measure will enable the Department to respond in a timely fashion to changing economic conditions and consumer demands and to keep revenue collections relatively aligned with expenditures.

Your Committee on Conference has amended this measure:

- (1) By deleting the provisions relating to the creation of five-member advisory committees to serve as consultants to the Department's boards and commissions, based on concerns expressed by the Attorney General that these amendments exceed the scope of the measure's title; and
- (2) To take effect on July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1318, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1318, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Espero and Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Hiraki, Hamakawa, Takamine and Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. 127-04 on H.B. No. 2667

The purpose of this bill is to authorize the Department of Education (DOE) to establish and implement a Hawaiian language medium education program as a complete educational program or schooling experience provided to students in the medium of the Hawaiian language.

This bill also gives discretion to DOE to provide to the program:

- (1) Facilities and transportation;
- (2) Teachers and personnel; and
- (3) Additional benefits for teachers, staff, and administrators, as well as credit for practical experience.

In recommending passage of this enabling legislation, your Committee on Conference acknowledges that implementation of its provisions is entirely dependent on subsequent submittal of a comprehensive plan by Hawaiian language medium education advocates that is approved by DOE and the Board of Education. Any funding requirements would be addressed in a subsequent legislative session.

Your Committee on Conference has amended this bill by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2667, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2667, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Hanabusa, Taniguchi and Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hogue).

Representatives Kanoho, Takumi, Takamine, Kaho`ohalahala and Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Takamine, Ching).

Conf. Com. Rep. 128-04 on H.B. No. 2703

The purpose of this bill is to allow the counties to assess, impose, levy, and collect impact fees for State highway improvements. This measure further establishes a highway development special fund, to be administered by the State Department of Transportation, into which the counties shall transfer the impact fees collected.

Your Committee on Conference has amended this measure by:

- (1) Adding a definition of "county" to mean a county having a population in excess of 500,000;
- (2) Deleting a provision making the consideration of certain factors related to impact fees permissive rather than mandatory;

- (3) Restoring language specifying that certain factors shall be considered in determining a proportionate share of public facility capital improvement costs;
- (4) Restoring language requiring that offsets payable to a developer be considered when enacting or adopting impact fees;
- (5) Clarifying the manner in which the needs assessment study shall be undertaken; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2703, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2703, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Inouye, Taniguchi, Espero and Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Nakasone, Mindo, Karamatsu, Shimabukuro and Jernigan.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 129-04 on H.B. No. 2005

The purpose of this bill is to prevent waste and help the needy by:

- (1) Establishing a Return-for-Credit-and-Reuse of Prescription Drugs Program to allow previously dispensed prescription drugs meeting certain requirements to be returned to the dispensing pharmacy for credit to the payer and reuse;
- (2) Establishing a mechanism for previously dispensed prescription drugs to be donated to drug repositories; and
- (3) Requesting the Department of Health (DOH) to report on the implementation and operation of the drug repository program and the potential for expansion to include drugs donated by private individuals.

Your Committee on Conference recognizes that prescription drugs are one of the most costly components of health care. Drugs are sometimes wasted because once they have been dispensed, they may not be used by anyone other than the individual for whom the medication was prescribed. This measure would assist the needy and other individuals who lack the means to obtain prescription drugs, in addition to saving money and reducing waste.

Your Committee on Conference has amended this bill by:

- (1) Inserting a section defining the purpose and intent of this measure;
- (2) Clarifying that donated drugs be used or accepted by a repository in Hawaii before being distributed to repositories outside of the state;
- (3) Adding a requirement that DOH include in their report to the Legislature possible strategies to provide incentives for dispensing pharmacies or institutional facilities to donate drugs;
- (4) Specifying that drugs for reuse be offered first to a drug repository entity before being considered for return-for-credit-and-reuse; and
- (5) Making other technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2005, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2005, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Baker, Chun Oakland, Espero and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Arakaki, Herkes, Takamine and Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 130-04 on H.B. No. 2547

The purpose of this bill is to enhance accountability for the University of Hawaii (UH) Foundation by:

- (1) Authorizing the Auditor to oversee expenditures from the UH Tuition and Fees Special Fund for the benefit of the UH Foundation; and
- (2) Enhancing reporting requirements for the UH Foundation.

Your Committee on Conference finds that this bill will ensure greater accountability for the activities of the UH Foundation, and ensure more transparency in the use of state moneys by the UH Foundation.

Your Committee on Conference has amended this bill by:

- (1) Deleting the Auditor's oversight powers for expenditures from the UH Tuition and Fees Special Fund for the benefit of the UH Foundation;
- (2) Placing a cap of \$3,000,000 on expenditures from the UH Tuition and Fees Special Fund for the benefit of the UH Foundation, excluding in-kind services;
- (3) Specifying that expenditures from the UH Tuition and Fees Special Fund may be made for the purpose promoting alumni activities;
- (4) Requiring expenditure reports to include a financial summary of the operating activities of the UH Foundation and identify amounts and purposes of all expenditures from the UH support fund;
- (5) Changing the effective date to July 1, 2004; and
- (6) Making technical, nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2547, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2547, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser, Kokubun and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Takai, Takamine, Nakasone, Tamayo and Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Nakasone).

Conf. Com. Rep. 131-04 on H.B. No. 851

The purpose of this measure is to amend the provisions for tax appeals to provide that first appeals to either the district board of review or to the tax appeal court may be made without payment of the tax so assessed. Your Committee finds that this is a fair and equitable provision.

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

- (1) Changing the effective date to July 1, 2004; and
- (2) Specifying that these provisions shall apply to tax appeals filed on or after July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 851, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 851, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Chun Oakland, Kokubun, Sakamoto and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

Representatives Takamine, Karamatsu, Wakai, Waters and Moses.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 132-04 on H.B. No. 2840

The purpose of this measure is to:

- (1) Appropriate a portion of the matching funds necessary for the Hawaii Community Development Authority to receive grant moneys from the United States Department of Commerce, Economic Development Administration in order to conduct economic master planning for Kalaeloa; and
- (2) Establish the Hawaii 3Ts School Technology Laboratories Fund, outside the state treasury, for the continuation and expansion of the Project EAST (environmental and spatial technology) initiative in Hawaii's public schools and making an appropriation for this Fund.

Your Committee has amended this measure by:

- (1) Deleting part I, relating to making an appropriation for a portion of the matching funds to conduct economic master planning for Kalaeloa;
- (2) Expanding the purpose section to give further information on Project EAST and its importance as an economic initiative;
- (3) Identifying the Economic Development Alliance of Hawaii, Inc., a Hawaii nonprofit organization, as the administrator of the Hawaii 3Ts School Technology Laboratories Fund and establishing the Hawaii 3Ts School Technology Laboratories Fund as a separate fund of the Economic Development Alliance of Hawaii, Inc.;
- (4) Establishing the various responsibilities of the Economic Development Alliance of Hawaii, Inc., which includes expending moneys from this Fund in a manner consistent with the criteria and recommendations of the Hawaii 3Ts School Technology Laboratories Board;
- (5) Amending the provision relating to the investment of moneys in the Hawaii 3Ts School Technology Laboratories Fund to require the Economic Development Alliance of Hawaii, Inc., to exercise ordinary business care and prudence in managing the moneys in the Fund by evaluating both the short-term and long-term needs of the Fund;
- (6) Requiring that for every dollar granted to a recipient by the Hawaii 3Ts School Technology Laboratories Fund, a minimum of 50 cents in value, in the form of in kind services or matching funds, shall come from private, federal, county, or community sources;
- (7) Requiring the Economic Development Alliance of Hawaii, Inc., to submit, by December 1 of each year, an annual report for approval to the Director of Business, Economic Development, and Tourism regarding the activities of the Hawaii 3Ts School Technology Laboratories Fund and requiring the Department of Business, Economic Development, and Tourism to transmit this report along with its recommendations to the Legislature for review;
- (8) Removing provisions authorizing the Department of Business, Economic Development, and Tourism to employ a coordinator to assist in the operations of the Hawaii 3Ts School Technology Laboratories Fund and making an appropriation to fund this position; and
- (9) Deleting the appropriation for the Hawaii 3Ts School Technology Laboratories Fund.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2840, H.D. 1, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2840, H.D. 1, S.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Inouye, Ige, Taniguchi, Kokubun, Sakamoto and Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Slom).

Representatives Kanoho, Schatz, Kaho`ohalahala and Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Finnegan).

Conf. Com. Rep. 133-04 on H.B. No. 1848

The purpose of this bill is to authorize the counties to allow a taxpayer subject to the real property tax law to claim an exceptional tree tax credit against the taxpayer's real property tax liability.

Your Committee has amended this measure by deleting its contents and replacing it with a modified version of the House Draft 1.

As amended, this measure allows a taxpayer subject to the income tax law to claim an exceptional tree deduction against the taxpayer's gross income. Specifically, this measure allows the taxpayer a deduction of up to \$3,000 per exceptional tree for expenditures made during the taxable year to maintain that exceptional tree. However, this measure disallows the deduction from being taken more than once every three consecutive taxable years. Furthermore, this measure limits the amount of deduction to the amount of expenditures deemed reasonably necessary by a certified arborist.

Your Committee finds that an exceptional tree is a statutory term for a tree that has been designated as an exceptional tree by the county arborist advisory committee. Specifically, an exceptional tree is a tree with historic or cultural value, or is otherwise worthy of preservation. Your Committee finds that this measure will provide real property owners with a tax incentive to maintain exceptional trees on their property for the benefit of both the owners and the community at large.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1848, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1848, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Morita, Takamine, Waters and Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. 134-04 on H.B. No. 2136

The purpose of this bill is to improve the state Procurement Code (Code) and include more agencies within its scope by:

- (1) Providing that selection committee recommendations regarding the selection of a professional services provider are not to be overturned without due cause;
- (2) Adopting procedures and standards modeled on the Federal Acquisition Regulations to guide application of the debarment and suspension provisions of the Code;
- (3) Requiring the procuring officer to verify that competitive sealed bid, competitive sealed proposal, professional services, small purchases, and sole source contractors comply with all applicable state business laws and be organized and registered under state law;
- (4) Authorizing the Attorney General to waive in-state business, registration, and statutory employer requirements as needed to obtain legal services that are not available in the state; and
- (5) Repealing statutory exemptions from the Code.

Your Committee on Conference has amended this bill by:

- (1) Deleting the sections that repeal the Hawaii Tourism Authority's, Research Corporation of the University of Hawaii's, and the Hawaii Hurricane Relief Fund's exemptions from the Code;
- (2) Repealing the statutes that exempt the Hawaii Health Systems Corporation, and expenditures under the School Physical Plant Operations and Maintenance Account, from the Code; and
- (3) Designating the UH President as the chief procurement officer for UH to be consistent with the repeal of the University of Hawaii's (UH) exemption from the Code.

Your Committee on Conference believes aligning the Code with standard federal debarment and suspension standards will complement previously enacted improvements to the Code and will ensure uniformity of the debarment and suspension procedure throughout all state agencies, including the UH system. The improvements in this bill will enable each respective procurement office to expeditiously review exemptions on a case by case basis, thereby efficiently forwarding the best interests of the State.

To further improve the State's procurement system, your Committee on Conference recommends that the Department of Accounting and General Services review UH's electronic procurement systems as a model for statewide application.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2136, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2136, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Espero, Kim, Sakamoto and Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Espero).

Representatives Magaoay, Herkes, Nakasone and Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 135-04 on H.B. No. 1908

The purpose of this bill is to improve information exchange between Hawaii's public school system and the military community by requiring the Department of Education (DOE) to annually set aside federal impact aid moneys to:

- (1) Establish a military liaison position within DOE; and
- (2) Fund the Joint Venture Education Forum.

Your Committee on Conference finds that Hawaii's military community plays a significant role in schools throughout the State. This bill will help to establish a better communication link between DOE and the military, and ensure that the particular needs of military dependent students and their families are met.

Your Committee on Conference has amended this bill by:

- (1) Enabling, rather than requiring, DOE to set aside impact aid moneys to fund the military liaison position and the Joint Venture Education Forum;
- (2) Specifying that \$100,000 in impact aid moneys may be set aside annually for these purposes; and
- (3) Changing the effective date to July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1908, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1908, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Sakamoto, Taniguchi and Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Takumi, Takamine, Kawakami and Leong.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Leong).

Conf. Com. Rep. 136-04 on H.B. No. 2002

The purpose of this bill is to implement education decentralization and improvement measures, including the establishment of a weighted student formula for allocating moneys to public schools.

Your Committee on Conference finds that the provisions of this bill have been addressed in another measure. Furthermore, the After-school Plus (A+) program, which provides after-school services for public school students throughout the State, has suffered from a continual decline in financial support. The A+ program would significantly benefit from having a dedicated fund that would allow it to have a consistent source of funding.

Accordingly, your Committee on Conference has amended this bill by deleting its contents and inserting provisions that:

- (1) Establish the After-school Plus Program Revolving Fund (Fund) to collect fees and fund the operations of the A+ program; and
- (2) Appropriate \$6,000,000 from the Fund.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2002, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2002, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser, Kokubun, Tsutsui and Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Whalen).

Representatives Takumi, Takamine, Evans, Kawakami and Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Kawakami, Ching).

Conf. Com. Rep. 137-04 on H.B. No. 2411

The purpose of this bill is to:

- (1) Update and streamline Hawaii's insurance laws, as well as conform the laws to the State's newly-enacted Producer Licensing Act and the requirements of the federal Gramm-Leach-Bliley Act; and
- (2) Exempt health insurance policies for self-employed persons from mandatory coverage requirements.

Your Committee on Conference has amended this bill by:

- (1) Deleting a proposed new section to chapter 432, Hawaii Revised Statutes (HRS), article 1, part VI, which concerns required provisions and benefits for mutual benefit societies; and
- (2) Removing amendments to section 432D-23, HRS, which sets forth the required provisions and benefits for health maintenance organizations.

These deletions properly limit the exemption for self-employed persons. Technical, nonsubstantive amendments were also made for clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2411, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2411, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hiraki, Hamakawa, Karamatsu and Stonebraker.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. 138-04 on H.B. No. 2523

The purpose of this bill is to ensure that the State passenger facility charges (PFCs) law comply with the federal PFC law by:

- (1) Clarifying that PFCs are exempt from transfers to pay for central services expenses and from deposit into the Airport Revenue Fund; and
- (2) Renaming the Passenger Facility Charge Revenue Fund to the Passenger Facility Charge Special Fund.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date from July 1, 2040, to upon approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2523, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2523, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Taniguchi, Baker and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Souki, Takamine, Mindo and Blundell.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 139-04 on H.B. No. 2009

The purpose of this bill is to:

- (1) Help keep Hawaii's agricultural industry competitive in the global market by appropriating funds for the Hawaii Farm Bureau Federation to pursue efforts in agricultural research and market development;
- (2) Help diversify Hawaii's economy and ensure a sustainable environment by appropriating funds for the College of Tropical Agriculture and Human Resources at the University of Hawaii (CTAHR) to continue its various research and instructional programs; and

- (3) Support efforts to clean Hawaii's waterways of contaminants and sediments using natural, noninvasive, and less costly methods by requiring CTAHR to submit:
 - (a) An interim report to the Legislature of findings from its bioremediation research;
 - (b) An evaluation of the feasibility of scaling up the technology used in bioremediation efforts; and
 - (c) A final report at the completion of the bioremediation project.

Your Committee on Conference has amended this bill by:

- (1) Removing language in the purpose section relating to CTAHR's research of:
 - (a) Health, nutrition, and obesity prevention for Hawaii residents; and
 - (b) Bioremediation;
- (2) Clarifying that funds appropriated to CTAHR will be used to continue its various research programs and help Hawaii diversify its economy;
- (3) Inserting an appropriation amount of \$500,000 for the Hawaii Farm Bureau Federation;
- (4) Inserting an appropriation amount of \$500,000 for CTAHR;
- (5) No longer requiring CTAHR to submit to the Legislature reports or an evaluation relating to bioremediation; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2009, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2009, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Inouye, Taniguchi and Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Abinsay, Takamine, Sonson and Jernigan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Sonson).

Conf. Com. Rep. 140-04 on H.B. No. 2883

The purpose of this bill is to protect the health, safety, and welfare of the public by funding and implementing a wireless enhanced 911 system designed to route a wireless caller's identification and location to a public safety answering point. Among other things, this bill:

- (1) Establishes a monthly surcharge on commercial mobile phone connections;
- (2) Establishes the Wireless Enhanced 911 Fund (Fund) into which the surcharge will be deposited;
- (3) Creates the Wireless Enhanced 911 Board (Board) to oversee collection and distribution of surcharge funds;
- (4) Requires annual reports to be submitted to the Legislature;
- (5) Provides for protections of proprietary wireless provider information; and
- (6) Includes provisions for audits of the Fund.

Your Committee on Conference has amended this measure by:

- (1) Renaming the definition of "provider" to "wireless provider";
- (2) Clarifying the quorum requirements of the Board to include six members, rather than six voting members;
- (3) Setting the rate of the surcharge at 66 cents per month for each commercial mobile radio service connection;
- (4) Clarifying that a wireless provider may recover wireless enhanced 911 commercial mobile radio service costs if the provider:
 - (A) Is collecting the surcharge and remitting appropriate portions of the surcharge to the Fund; and

- (B) Has been requested by a public safety answering point to provide Phase I or Phase II wireless enhanced 911 service in a particular county or counties;
- (5) Specifying that public safety answering points shall be allocated two-thirds of the Fund after expenses of the Board are paid;
- (6) Specifying that one-third of the Fund shall be made available for wireless provider cost recovery;
- (7) Inserting language to include a progress report of jurisdictional readiness for wireless enhanced 911 services, including public safety answering points, wireless providers, and wireline providers in the annual report submitted to the Legislature by the Board;
- (8) Deleting the exception of land line companies from the audit requirements of this measure;
- (9) Limiting the liability of affiliates of a wireless provider for civil damages or criminal liability;
- (10) Changing its effective to July 1, 2004; and
- (11) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2883, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2883, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Menor, Aduja, Taniguchi and Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Aduja, Taniguchi).

Representatives Souki, Herkes, Takamine and Blundell.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Blundell).

Conf. Com. Rep. 141-04 on H.B. No. 2137

The purpose of this bill is to create a One Call Center. The One Call Center will coordinate the dissemination of information on the location of underground utility, cable service and pipeline facilities. By facilitating communication between the owners of these facilities and the prospective excavators, who may inadvertently damage underground facilities during excavation, the One Call Center will significantly reduce the risk of service disruption and the consequent direct and indirect costs.

Under this bill, excavators will mark the area to be excavated and advise the One Call Center of the location of the proposed excavation site. Using this information, the One Call Center will notify any operator known to have a subsurface installation in the area. Once notified, the operator will advise the excavator of the number and location of subsurface installations and field mark the location. The excavator can then, with due care, excavate in the vicinity of the subsurface installation.

The actual operation of the One Call Center, consistent with the practice in other jurisdictions, will be contracted out to a private entity with appropriate experience in this highly technical undertaking.

The principal amendment made by your Committee on Conference is the designation of the Public Utilities Commission (PUC) as the administrator of the One Call Center, whose duties include selection of the One Call Center provider, and a quasi-judicial role in resolving disputes.

The cost of the contract for the One Call Center, and for the administrative costs borne by PUC, will be covered by fees charged to the operators of the underground facilities. Excavators may also be assessed. The fees will be established by PUC and placed into the PUC Special Fund. In addition, government agencies will contribute and can recover this cost through their own fee structure. Civil penalties collected by the PUC, in the exercise of its quasi-judicial responsibilities, will also be deposited into the special fund. Because the startup costs will precede the receipt of any fees, initial funding of \$300,000 is included.

Your Committee on Conference, in recognition of the need to review the actual operation of the One Call Center after a suitable period for the acquisition of data, has also amended the bill to establish an effective date of July 1, 2004, coupled with a repeal date of June 30, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2137, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2137, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Ige, Taniguchi, Sakamoto and Slom.
Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Ige).

Representatives Hiraki, Magaoay, Karamatsu and Marumoto.

Managers on the part of the House.

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

Conf. Com. Rep. 142-04 on H.B. No. 1374

The purpose of this bill is to amend Hawaii's workers' compensation law to:

- (1) Authorize the Insurance Fraud Investigations Unit of the Department of Commerce and Consumer Affairs (DCCA) to investigate and prosecute workers' compensation fraud relating to self-insured employers;
- (2) Entitle a plaintiff who successfully proves a case of workers' compensation insurance fraud to recoupment of payments for medical, vocational rehabilitation, and other services and reimbursement of attorney's fees and costs;
- (3) Entitle a defendant who successfully defends a case of workers' compensation insurance fraud to reimbursement of attorney's fees and costs; and
- (4) Provide that a person subject to administrative penalties in an action under section 386-98(e), Hawaii Revised Statutes, shall not be subject to double jeopardy under any other subsection.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that when charges of fraud are filed and are criminal in nature, a person shall not be entitled to attorney's fees and costs;
- (2) Deleting language authorizing the Insurance Fraud Investigations Unit of DCCA to investigate and prosecute workers' compensation fraud relating to self-insured employers;
- (3) Inserting language authorizing the Insurance Commissioner of DCCA to investigate complaints and prosecute cases of workers' compensation fraud, provided that the complaint is against an insurance carrier, a self-insured employer, or a fully insured employer;
- (4) Inserting a sunset provision of June 30, 2006; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1374, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1374, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kokubun and Whalen.

Managers on the part of the Senate.

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

Representatives M. Oshiro, Takamine, Nakasone and Blundell.

Managers on the part of the House.

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

Conf. Com. Rep. 143-04 on H.B. No. 2511

The purpose of this bill is to conform the state withholding tax remittance due date for employers with an annual state withholding tax liability that exceeds \$20,000 per year to the remittance due date required under federal employment tax provisions. This bill also changes the state remittance due date from monthly to "semi-weekly" and lowers the electronic funds transfer threshold amount for withholding taxes to amounts that exceed \$20,000.

Your Committee on Conference has amended this bill by increasing the withholding threshold from \$20,000 to \$40,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2511, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2511, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kokubun and Tsutsui.

Managers on the part of the Senate.

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

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

Conf. Com. Rep. 144-04 on H.B. No. 2396

The purpose of this bill is to continue to support the state's high technology industry by:

- (1) Establishing the State Private Investment Fund (SPIF) within the Hawaii Strategic Development Corporation (HSDC) to provide additional financing tools to meet the growing needs of the high technology industry; and
- (2) Extending and improving certain tax incentives developed for the high technology industry.

Your Committee finds that the high technology business in Hawaii is growing quickly and maturing into a promising and competitive industry. To continue growing and to ensure that these industries remain in Hawaii, new financing opportunities must be developed and implemented. The creation of SPIF will allow the State to enable these businesses to continue to grow.

Your Committee has amended the provisions relating to this new agency by placing a cap of \$36,000,000 on the total amount of tax credits HSDC may transfer at a rate of no more than \$12,000,000 per year.

Your Committee also finds that the changes to the high technology tax incentives will continue to foster the growth of these businesses, especially the small businesses just starting out.

The bill, as received, provided Department of Taxation (DOTAX) with guidance on how to evaluate the various claims for this credit by using the ratio of investment to tax credit claimed as an indication of which claims met the purpose of this tax credit. However, your Committee wants to clearly state that these ratios are only guidance and should not be used as a bright line test of credit approval. Rather, these ratios should be considered one factor among many in the evaluation of which credits should be allowed to be claimed.

Your Committee has amended this bill by, among other things:

- (1) Amending the membership of the Board of Directors of the HSDC;
- (2) Deleting the HSDC appropriations section;
- (3) Extending for five years the technology infrastructure renovation tax credit, the high technology business investment tax credit, and the research activities tax credit;
- (4) Establishing a new Tax Administration Special Fund and authorizing DOTAX to charge fees for providing comfort letters to businesses interested in the tax incentives, and for certifying credit amounts for the high technology business investment and the research activities tax credits to be deposited into this special fund;
- (5) Providing reliability for comfort letters already sent by the DOTAX to high technology businesses and investors;
- (6) Amending the computer software component of the definition of "qualified research" in section 235-7.3, Hawaii Revised Statutes, which excludes from income taxation various high technology related royalties. The new definition relates to the ultimate use of the software and the control that the business retains over the software;
- (7) Establishing reporting requirements for those claiming a qualified high technology business tax credit or a research activities tax credit to provide more public information about the use of these credits; and
- (8) Limiting the use of the research activities tax credit to qualified high technology businesses.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2396, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2396, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Fukunaga, Taniguchi, Kokubun, Tsutsui and Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hemmings).

Representatives Schatz, Takamine, Wakai, Karamatsu and Ontai.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Ontai).

Conf. Com. Rep. 145-04 on S.B. No. 2549

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 1, nonsupervisory employees in blue collar positions.

This measure also funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for nonsupervisory employees in blue collar positions who are excluded from collective bargaining.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Inserting dollar amounts of \$0 to be appropriated to cover the costs of the salary increases and collective bargaining cost items negotiated for collective bargaining unit 1 and excluded counterparts from both general and special funds;
- (2) Changing the effective date from upon July 1, 2010 to July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2549, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2549, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kokubun and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Kokubun).

Representatives M. Oshiro, Takamine, Kawakami, Magaoay and Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Magaoay).

Conf. Com. Rep. 146-04 on S.B. No. 2550

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 5, teachers and other personnel of the Department of Education under the same pay schedule, including part-time employees working less than one-half of a full-time equivalent.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for teachers and other personnel of the Department of Education under the same pay schedule, including part-time employees working less than one-half of a full-time equivalent who are excluded from collective bargaining.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Inserting specific amounts to be appropriated to cover the costs of the salary increases and collective bargaining cost items negotiated for collective bargaining unit 5 and excluded counterparts from both general and special funds;
- (2) Changing the effective date from July 1, 2010, to July 1, 2004; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2550, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2550, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kokubun and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Kokubun).

Representatives M. Oshiro, Takamine, Kawakami, Magaoay and Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Magaoay).

Conf. Com. Rep. 147-04 on S.B. No. 2551

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 7, faculty of the University of Hawaii and the community college system.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for faculty of the University of Hawaii and the community college system who are excluded from collective bargaining.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Including a purpose section to reflect the six-year agreement reached by the parties and to explain the Legislature's inability to approve appropriations for future fiscal bienniums;

- (2) Inserting specific amounts to be appropriated to cover salary increases and cost items provided in the agreement between the State and bargaining unit (7) and those authorized for state officers and excluded employees; and
- (3) Making the Act effective retroactive to July 1, 2003.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2551, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2551, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kokubun and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Kokubun).

Representatives M. Oshiro, Takamine, Kawakami, Magaoay and Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Magaoay, Meyer).

Conf. Com. Rep. 148-04 on S.B. No. 2556

The purpose of this measure is to appropriate funds for the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for officers and employees excluded from collective bargaining in the Office of the Auditor, the Hawaii State Ethics Commission, the Office of the Legislative Reference Bureau, and the Office of the Ombudsman for the fiscal year 2004-2005.

Upon further consideration, your Committee has amended this measure by:

- (1) Inserting specific amounts to be appropriated to cover salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for officers and employees excluded from collective bargaining in the Office of the Auditor, the Office of the Legislative Reference Bureau, and the Office of the Ombudsman;
- (2) Removing the inclusion of an appropriation for the Hawaii State Ethics Commission; and
- (3) Changing the effective date of the Act from July 1, 2010, to July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2556, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2556, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kokubun and Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Kokubun).

Representatives M. Oshiro, Takamine, Kawakami, Magaoay and Jernigan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Magaoay, Jernigan).

Conf. Com. Rep. 149-04 on S.B. No. 2528

The purpose of this measure is to appropriate funds for the loss mitigation grant program and to modify program criteria relating to matching fund percentages and reimbursable costs.

The State's loss mitigation grant program was established to encourage the installation of wind resistive devices in residential property. The program reimburses homeowners for fifty per cent of their costs to purchase, install, and inspect wind resistive devices, up to a maximum amount of \$2,100.

This measure reduces the State's match from fifty per cent to thirty-five per cent of the homeowner's cost, consistent with the thirty-five per cent solar energy system tax credit, repeals the authorization for reimbursement of inspection costs, and appropriates an unspecified amount in general revenues for the program.

Your Committee on Conference has amended this measure to:

- (1) Appropriate \$300,000 for fiscal year 2004-2005 for the loss mitigation grant program; and
- (2) Require the Department of Commerce and Consumer Affairs to submit a report to the 2005 Legislature that:
 - (a) Outlines a plan to mitigate the future impact of a tropic storm or hurricane on the public's safety, the insurance markets, and the economy;

- (b) Addresses how the Hawaii hurricane relief fund will be used to mitigate future damage from tropical storms and hurricanes; and
- (c) Lists each insurer that offers wind damage coverage and the approaches that each insurer is taking towards hazard mitigation.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2528, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2528, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Kim, Kokubun and Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

Representatives Takamine, Kawakami, Nakasone and Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. 150-04 on S.B. No. 2595

The purpose of this measure is to establish a licensing program for mental health counselors.

This measure defines the practice of mental health counseling, prohibits unlicensed mental health counseling or use of the title "licensed mental health counselor" without a license as of July 1, 2005, establishes licensure requirements and procedures, establishes exemptions from licensure, authorizes reciprocal licensing agreements with other states, and authorizes sanctions for violations of the licensing laws. Additionally, this measure authorizes the hiring of program staff, appropriates general revenues to implement the program, and authorizes the assessment of license surcharges to replace general funds appropriated.

Your Committee on Conference finds that the State's failure to regulate mental health counselors is inconsistent with its regulation of other-core helping professions, such as psychology, social work, and marriage and family therapy, and that forty-seven states and the District of Columbia regulate the practice of counseling. The adoption of this measure will enable the State to ensure that persons practicing mental health counseling or holding themselves out to be mental health counselors have met minimum standards for professional education and experience. Your Committee further finds that as federal programs increasingly require services to be provided by licensed professionals, adopting a licensure program will provide an expanded pool of qualified professionals to provide necessary services.

Your Committee on Conference has amended this measure to:

- (1) Expand the definition of "practice of mental health counseling" to include the assessment, diagnosis, and treatment of, and counseling for, substance abuse and conduct disorders;
- (2) Expand the law's title protection to prohibit the use of the title "mental health counselor" except by a person so licensed;
- (3) Exempt from the licensing requirement persons obtaining supervised clinical experience to qualify for licensure as a psychologist, social worker, marriage and family therapist, or other licensed professional, provided that the person's title indicates a trainee or intern status and the person does not purport to be a mental health counselor;
- (4) Clarify the coursework required of applicants for licensure;
- (5) Allow more persons to be "grandfathered" into the program by recognizing examination results obtained within five and a half years, rather than within only one year of the program's commencement;
- (6) Require the Department of Commerce and Consumer Affairs (DCCA) to administer a single, rather than two different, licensing exams;
- (7) Expand the grounds for license discipline;
- (8) Require disclosure of confidential information obtained in the course of counseling in disciplinary proceedings or pursuant to subpoena;
- (9) Appropriate \$61,000 in general funds to implement the licensing program; and
- (10) Clarify that the licensing requirement becomes effective on July 1, 2005, but that the establishment of the program within DCCA, the director's powers and duties, and the appropriation provisions, become effective upon approval of the measure.

Your Committee on Conference also made technical amendments to the measure for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2595, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2595, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Kokubun and Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Arakaki, Takamine, Nishimoto and Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Finnegan).

Conf. Com. Rep. 151-04 on S.B. No. 2906

The purpose of this measure is to eliminate the filing fee for the issuance of certificates of good standing under the business registration laws.

Your Committee has amended this measure by:

- (1) Reducing the cost of filing a certificate of good standing from \$25 to \$5; and
- (2) Changing the effective date to July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2906, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2906, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Kim, Kokubun and Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

Representatives Hiraki, Takamine, Wakai and Stonebraker.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. 152-04 on S.B. No. 459

The purpose of this measure is to amend campaign spending laws in Hawaii by:

- (1) Prohibiting fundraising in buildings being used for state or county purposes, except as may be permitted by the facility's use regulations for a fee or by reservations;
- (2) Prohibiting contributions by government contractors selected through a nonbid process, who seek contracts valued in excess of \$25,000 or hold contracts in excess of \$25,000;
- (3) Prohibiting the use of campaign contributions for personal expenditures;
- (4) Amending the registration requirements for candidates seeking reelection and reducing the trigger amount for reporting by noncandidate committees;
- (5) Replacing the requirement that the Campaign Spending Commission adopt a Code of Fair Campaign Practices as part of its rules with the requirement that the commission adopt a schedule of administrative fines for categories of violations incorporating the penalties that are provided by statute;
- (6) Conforming to a court's decision invalidating the Campaign Spending Commission's code of fair campaign practices and ability to censure candidates who fail to comply with the code;
- (7) Amending the campaign contributions limits to \$4,000 for candidates seeking offices of four-year terms, \$2,000 for candidates seeking offices of two-year terms, \$2,000 for noncandidate committees in a two-year election period, \$5,000 per year for a party, and a maximum limit of \$25,000 in the aggregate for all contributions from an individual in a two-year election period;
- (8) Defining the ownership interest in a corporation or partnership as twenty-five percent for purposes of campaign contribution limits by individuals;
- (9) Clarifying that excess contributions must be returned within thirty days or they will escheat to the Hawaii election campaign fund;
- (10) Making falsifying reports and contributing under a false name or anonymously, with intent to circumvent the law or deceive the commission, a class C felony;

- (11) Clarifying that a person who is prosecuted and convicted of campaign violations is not subject to administrative enforcement;
- (12) Amending the public funding provisions to require qualifying contributions from residents of Hawaii only and to eliminate the ability of candidates to obtain public funding for special elections;
- (13) Repealing §11-203, Hawaii Revised Statutes (HRS), relating to limitations on fundraising activities;
- (14) Requiring the Campaign Spending Commission to adopt a schedule of administrative fines for categories of violations, and direct that all administrative fines collected shall be deposited into the general fund; and
- (15) Adding definitions and clarifying other terms for consistency of application.

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

- (1) Deleting the new definition for “independent expenditure”;
- (2) Amending the definitions for “labor organization” and “separate segregated fund”;
- (3) Adding definitions for “residual funds” and “surplus funds” to §11-191, Hawaii Revised Statutes (HRS);
- (4) Removing the amendments to the definitions of “election period” and “expenditure” in §11-191, HRS;
- (5) Deleting the provision that requires the Campaign Spending Commission to adopt a schedule of administrative fines for categories of violations in §§11-193 and 11-228, HRS;
- (6) Restoring the provision that allows the Campaign Spending Commission to censure any candidate who fails to comply with the code of fair campaign practices in §11-193, HRS;
- (7) Amending the definition for “committee” and “noncandidate committee” to include “separate segregated fund”;
- (8) Restoring the filing requirements for noncandidate committees by increasing the contribution or expenditure amount to more than \$1,000, in the aggregate, in a two-year election period in §11-194, HRS;
- (9) Restoring the requirements for committees that form within ten days of either a primary or general election to increase the contribution and expenditure amount to more than \$1,000 in the aggregate in §11-194, HRS;
- (10) Shortening the required amount of time the county clerk’s office must preserve all reports filed from ten years to four years in §11-195, HRS;
- (11) Restoring the amount of charitable and community donations already provided for in §11-200, HRS;
- (12) Restoring the campaign contribution amounts in §11-204(a) and (b), HRS;
- (13) Restoring campaign contribution amounts for a candidate’s immediate family members in §11-204;
- (14) Restoring the provision that identifies any individual and any general partnership in which the individual is a partner, or an individual and any corporation in which the individual owns a controlling interest, shall be treated as one person in §11-204;
- (15) Removing the provision that any excess contribution may be submitted to the Hawaii election campaign fund, rather, all the excess contributions not returned to original donors within thirty days of receipt shall escheat to the Hawaii election campaign fund in §11-204;
- (16) Deleting the definition of ownership interests for corporations or partnerships for purposes of campaign contribution limits by individuals in §11-204;
- (17) Amending §11-204(l) to correct the reference to the Code of Federal Regulations;
- (18) Restricting out-of-state contributions from corporations, unions, and noncandidate committees that have little relationship to residents of the State in §11-204;
- (19) Deleting the amendment to section 11-205.5 treating a person who owns twenty-five percent of the corporation who is a government contractor as the same as the contractor and adding that individual employees of a contractor may make campaign contributions with their own funds but officers and directors of the contractor are prohibited from making contributions in the same way as the government contractor;
- (20) Clarifying that contributions are not prohibited from any business that has any government contract awarded pursuant to §§103D-303 and 103D-305, HRS in §11-205.5;
- (21) Clarifying that government contractors are not prohibited from contributing to a candidate or candidate’s committee if the candidate seeks a public office that does not have the authority to terminate the employment of an employee who has the

authority or discretion to enter into, approve, or ratify the government contract sought or held by the government contractor in §11-205.5;

- (22) Amended the definition of “nonbid” to mean the contractor is selected based on any procurement process other than pursuant to §§103D-303 and 103D-305;
- (23) Restoring that surplus campaign contributions may be used for charitable and community service donations in any election cycle as is currently provided for in §11-206, HRS;
- (24) Providing surplus campaign contributions to be used for contributions to a political party provided it is not earmarked for a specific candidate in §11-206;
- (25) Adding a definition for “coordinated activity” and deleting the republication of website materials exemption in §11-207;
- (26) Providing that disposition of residual funds by:
 - (A) Donating contributions to nonprofit organizations; or
 - (B) Donating contributions to any political party,
 shall occur within one year for private campaign contributions;
- (27) Amending the penalties for unions, corporations, and organizations to an administrative fine determined by the Campaign Spending Commission in §11-228, HRS;
- (28) Restoring the current version of §11-203, HRS, entitled “fundraisers and fundraising activities”;
- (29) Deleting the amendment to §11-228 that required administrative fines to be deposited in the general fund;
- (30) Changing the effective date to “January 1, 2005”;
- (31) Conforming the purpose section to these amendments; and
- (32) Making technical, nonsubstantive amendments for clarity, style, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 459, S.D. 1, H.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 459, S.D. 1, H.D. 1, C.D. 2.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, English, Espero and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Hamakawa, Caldwell, B. Oshiro and Bukoski.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Caldwell).

Conf. Com. Rep. 153-04 on S.B. No. 2404

The purpose of this measure is to make an appropriation for expenses of the 2005 National Association of Counties meeting in Honolulu.

The City and County of Honolulu is hosting the 2005 National Association of Counties Annual Conference and Exposition from July 15, 2005, to July 19, 2005, at the Hawaii Convention Center. This measure is intended to assist the county with expenses.

Your Committee on Conference has amended this measure by appropriating the sum of \$50,000 in matching funds.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2404, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2404, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kawamoto, Kim and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Chang, Magaoay, Takamine and Leong.
Managers on the part of the House.

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

Conf. Com. Rep. 154-04 on S.B. No. 2210

The purpose of this measure is to appropriate funds for the continuation of a condominium specialist position to provide information to condominium owners about the changes to the condominium laws proposed in this measure.

Your Committee on Conference has amended this measure by replacing its contents with the language of S.B. No. 2210, S.D. 2, which recodified the laws governing condominiums, and by making further changes thereto. As amended, this measure:

- (1) Effective July 1, 2005, repeals parts I, V, and VII of chapter 514A, Hawaii Revised Statutes (HRS), pertaining to condominium law general provisions and definitions, condominium management, and arbitration, enacts new provisions governing these areas, and makes conforming amendments throughout HRS;
- (2) Reserves for future enactment provisions relating to the creation, alteration, termination, registration, and administration of condominiums, and the protection of condominium purchasers;
- (3) Establishes a condominium dispute resolution pilot program, pursuant to which parties that have been unsuccessful in mediating condominium disputes may request an administrative hearing through the Department of Commerce and Consumer Affairs (DCCA);
- (4) Appropriates \$25,000 from the condominium management education fund (CMEF) for the pilot program; and
- (5) Appropriates \$150,000 from the CMEF to conduct post-bill passage educational activities and for the continuation of a condominium specialist position in DCCA to assist with these activities.

Your Committee on Conference recognizes that there continue to be concerns about the proposed new condominium laws, primarily in the area of condominium management. Therefore, this measure addresses some of these concerns by restoring certain rights and duties that were eliminated under the new provisions. For instance, under this measure, as amended, association board officers and members continue to owe a fiduciary duty to the board, standard proxy forms must contain a box marked "for quorum purposes only", and the minimum nine-member board requirement is retained for certain condominiums.

This measure, as amended, also deviates from the original recodification scheme by deleting the repeal of part VI of chapter 514A, HRS, (part VI) relating to sales to owner-occupants. Your Committee on Conference finds that part VI should not be repealed, as originally recommended by the Real Estate Commission. Therefore your Committee requests the Commission, during the legislative interim, to develop recommendations for the integration of part VI into the new condominium law.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2210, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2210, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero, Kim, Kokubun, Sakamoto and Whalen.
Managers on the part of the Senate.
Ayes, 6. Noes, none. Excused, 1 (Whalen).

Representatives Hiraki, Takamine, Herkes and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 155-04 on H.B. No. 1904

The purpose of this bill is to support our citizen-soldiers by providing for an income tax deduction of an unspecified amount for National Guard members and United States military reservists.

Your Committee on Conference has amended this bill by:

- (1) Replacing the specific amount for the income tax deduction with a graduated amount;
- (2) Changing the effective date to January 1, 2005; and
- (3) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1904, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1904, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Taniguchi, Aduja and Slom.

Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Ito, Nakasone, Mindo and Blundell.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 156-04 on H.B. No. 2662

The purpose of this measure is to assist new and existing small businesses and those businesses threatened by military base closures and realignments that encounter difficulty when seeking assistance through private or conventional lenders.

More specifically, the bill:

- (1) Allows the Department of Business, Economic Development, and Tourism to make loans to businesses located near military installations threatened by closure or downsizing;
- (2) Repeals the sunset of the Hawaii Capital Loan Revolving Fund set for July 1, 2004;
- (3) Caps the Hawaii Capital Loan Revolving Fund at \$1,000,000;
- (4) Removes the Hawaii Innovation Development Fund from consideration with respect to the transfer of funds involving the Hawaii Capital Loan Revolving Fund; and
- (5) Appropriates \$1,000,000 from the Hawaii Capital Loan Revolving Fund for the operating expenses of the Fund.

Your Committee has amended the bill by changing the means used to finance the purposes of the bill. Instead of reinstating and utilizing funds appropriated to the Hawaii Capital Loan Revolving Fund, this bill appropriates \$100,000 from the general fund for the purposes of the bill. The bill was also amended by changing the effective date to July 1, 2004.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2662, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2662, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Fukunaga, Taniguchi and Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Ito, Schatz, Takamine, Mindo and Blundell.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Schatz).

Conf. Com. Rep. 157-04 on S.B. No. 1491

The purpose of this bill is to ensure the State's fiscal integrity by:

- (1) Authorizing the transfer of excess amounts in various state funds, special funds, revolving funds, and special accounts to the state general fund; and
- (2) Repealing the authority of any department, with the approval of the Governor or the Director of Finance if so delegated by the Governor, to transfer excess amounts in any special funds related to that department to the state general fund.

On April 12, 2004, H.B. 1800, H.D. 1, S.D. 1, C.D. 1, also known as the Supplemental Appropriations Act of 2004, was finalized in anticipation of its April 15, 2004, transmittal to the Governor. On the same day the Supplemental Appropriations bill was finalized, the Governor sent a Message to the Legislature proposing various program reductions to help balance the State's six-year financial plan. While a number of these proposals were included in the Supplemental Appropriations Act of 2004, the Governor proposed reductions not previously considered by the Legislature. These new reductions warranted further review.

In addition to the Governor's Message of April 12, 2004, the Governor transmitted another Message on April 26, 2004, responding to the Conference Draft of the Supplemental Appropriations bill by presenting additional items that the Governor wanted the Legislature to reconsider.

To ensure the efficient functioning of the State by the Governor and her Administration, your Committee on Conference has carefully reviewed the Governor's requests. After deleting the contents of this bill, your Committee on Conference has inserted provisions that reflect the adjustments proposed by the Governor in her Messages to the Legislature dated April 12, and 26, 2004, and which your Committee on Conference agrees are responsive to the needs and demands of our communities.

Based on the April 12, 2004, Governor's Message, your Committee on Conference has replaced \$501,714 of the general fund appropriation for the Department of Hawaiian Home Lands (DHHL) with \$675,307 from the DHHL's special fund.

In addition, your Committee on Conference has provided for a majority of the Governor's requests made in the April 26, 2004, Governor's Message. However, due to the State's fiscal situation, your Committee on Conference, regrettably, could not fund many of the additional general fund appropriation requests.

The Legislature has been an advocate for the development of new facilities in Kakaako. Your Committee on Conference continues to support the State's effort to further the development of biomedical research and recognizes the important role these new facilities will have in this effort. In the Supplemental Appropriations bill, the Legislature appropriated moneys from the revolving funds to provide for non-personnel operating expenses for these new facilities. The April 26, 2004, Governor's Message raised concerns that the "Research and Training Fund may not be able to absorb these expenses." Your Committee on Conference carefully considered these concerns and notes that the Research and Training Revolving Fund (Fund), established to facilitate research and training at the University, currently has a balance of over \$21,000,000, which is more than adequate to support the \$2,531,561 in revolving funds for non-personnel operating expenses for fiscal year 2004-2005. As such, your Committee on Conference finds that the Administration's concern on this matter is unsubstantiated. In addition, your Committee on Conference has authorized the University of Hawaii (UH) to use any other revolving fund under its control to support the facility operations if UH determines it is appropriate to do so.

Although non-personnel operating expenses have been funded by revolving fund appropriations in this bill, your Committee on Conference notes that the general fund request for personnel expenses was authorized in the Supplemental Appropriations bill. Such a cost sharing arrangement is similar to the arrangement for collective bargaining costs negotiated by the Governor for the UH faculty.

Your Committee on Conference also carefully reviewed the Governor's request to provide \$703,782 for the Department of Health's Home and Community Based Services waiver match. After much deliberation, your Committee on Conference decided not to restore this funding in fiscal year 2004-2005 for the following reasons:

- (1) The Supplemental Appropriations Act of 2004 provided the Developmental Disabilities Division (DDD) with \$2.05 million of the \$2.75 million requested for fiscal year 2004-2005. This amount takes into account an increase in the average patient cost (APC) and addresses the waitlist of clients requesting services;
- (2) The reduction of the requested amount was based on the inability of the DDD to provide updated APC data. The DDD has been unable to provide the estimated APC for fiscal year 2004-2005 because it has not received actual client data from the Department of Human Services (DHS);
- (3) The DDD calculated its supplemental budget request based on an estimated APC of \$30,041 for fiscal year 2004-2005 as opposed to the budgeted rate of \$27,000 for the Title XIX waiver match to DHS. Your Committee on Conference strongly believes that without appropriate data from DHS to verify the actual APC for fiscal year 2002-2003 and the estimated APC for fiscal year 2003-2004, providing funding at an APC of \$29,076 is reasonable and will still allow the DDD to provide services for additional clients. Repeated efforts during the last five months to solicit updated APC information from DHS to justify providing for any additional funding has been fruitless; and
- (4) The DDD lapsed to the general fund a total of \$2.9 million in fiscal year 2002-2003.

Your Committee on Conference finds that until such time as the DDD is able to provide the Legislature with actual APC data rather than estimates, the current level of additional funding for the Home and Community Based Services waiver match is appropriate.

Your Committee on Conference also restored vacant positions over and above those requested in the Governor's Message dated April 26, 2004. DHS was provided \$231,159 in general funds for vacant positions, despite the fact that none of these positions were identified in the April 26, 2004, Governor's Message. Correspondence with the DHS indicates that removing these positions would result in the elimination of "warm bodies," which would contradict the Legislature's policy on the reduction of positions. In addition, DHS has indicated that keeping these positions is critical in implementing the Rx Plus Program, an initiative that has the support of both the Legislature and the Administration.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1491, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1491, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kawamoto, Kim, Kokubun, Tsutsui and Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Hogue).

Representatives Takamine, Kawakami and Nakasone.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

The purpose of this bill is to afford Hawaii's long suffering gasoline consumers relief by fine-tuning Act 77, Sessions Laws of Hawaii 2002, which imposed maximum pre-tax wholesale and retail gasoline prices for gasoline sold in the State.

Specifically, this bill would:

- (1) Change the baseline for determining maximum pre-tax wholesale gasoline prices by using the national unweighted average spot price of all unleaded gasoline as reported by the Oil Price Information Service;
- (2) Extend maximum pre-tax wholesale price limits to mid-grade and premium gasoline;
- (3) Repeal the price limits on the sale of gasoline on the islands of Molokai and Lanai and the Hana district of Maui;
- (4) Repeal the maximum pre-tax retail gasoline price;
- (5) Provide a Neighbor Island wholesale adjustment factor to jobbers servicing the islands of Kauai, Maui, and Hawaii;
- (6) Transfer the responsibility of collecting and analyzing information received from the petroleum industry from the Department of Business, Economic Development, and Tourism to the Auditor;
- (7) Establish a legislative task force to investigate the petroleum industry on the islands of Kauai, Maui, Molokai, Lanai, and Hawaii;
- (8) Direct the Auditor to undertake a study to determine the most appropriate method of establishing a baseline gasoline price;
- (9) Extend the effective date for the imposition of the maximum pre-tax wholesale gasoline price limit; and
- (10) Make an appropriation to be expended by the Auditor to carry out the duties assigned that office by Chapter 486J, Hawaii Revised Statutes.

After due and detailed deliberation, your Committee has amended this bill by:

- (1) Changing the baseline for determining maximum pre-tax wholesale gasoline prices by using the average of the spot prices for regular unleaded gasoline for the markets of Los Angeles, New York Harbor, and the United States Gulf Coast;
- (2) Deleting the neighbor island wholesale adjustment factor and inserting the figures of \$.05 and \$.09 respectively for the mid-grade and premium adjustment factors;
- (3) Establishing zones within the State and authorizing the Public Utilities Commission to adjust the maximum pre-tax wholesale gasoline price in the various zones;
- (4) Extending the effective date for the imposition of the maximum pre-tax wholesale gasoline price limit to September 1, 2005;
- (5) Deleting the provision relating to the responsibility of the auditor under chapter 486J, Hawaii Revised Statutes, with respect to the task force and requires the Public Utilities Commission to provide support to the task force;
- (6) Deleting provisions relating to the ethanol content requirement;
- (7) Making an appropriation of \$500,000, to be expended by the Public Utilities Commission for the purposes of Chapter 486H, Hawaii Revised Statutes, and this bill;
- (8) Clarifying the purpose section of the bill;
- (9) Changing the effective date from July 1, 2004 to July 1, 2009; and
- (10) Making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3193, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3193, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero and Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Morita, Hiraki, Takamine and Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 159-04 on S.C.R. No. 127

The purpose of this measure is to request the Department of Human Resources Development to delay the implementation of the elimination of the social worker series.

Your Committee on Conference finds that a serious shortage of social workers exists throughout the State, which has and will continue to result in the denial of the provision of social services or the provision of social services by lesser qualified individuals. This shortage of social workers within the State is largely attributable to an overall lack of interest in social work, as well as low pay scales for social workers, particularly for government social workers. In 2003, the Department of Human Resources Development conducted a study on the occupation of social work in an effort to address the issues of the proper classification of civil service positions, the increasing demand for human services, the finite number of social workers within the State, and a lack of alternative occupational options to meet the current demand. As a result of that study, the Department of Human Resources Development determined that the social worker series of positions should be eliminated and replaced with reclassified positions entitled human services professionals, child protective specialists, adult protective specialists, clinical social workers, or parole officers, effective May 1, 2004.

However, your Committee on Conference is concerned that the Department of Human Resources Development conducted its study without the benefit of input from the Hawaii Chapter of the National Association of Social Workers or the Schools of Social Work of the University of Hawaii, Brigham Young University at Hawaii, and Hawaii Pacific University. Therefore, your Committee on Conference believes that the reclassification should be delayed to allow the reclassification plan and its ramifications to be reviewed and analyzed by all of the interested parties.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Clarifying that the Department of Human Resources Development intends to allow the Social Worker series to continue for the time being;
- (2) Clarifying that the Department of Human Resources Development is requested to delay the elimination of the Social Worker series for at least three months but not more than nine months, until the Department has fully consulted and coordinated with the Hawaii Chapter of the National Social Workers, the Schools of Social Work of the University of Hawaii, Hawaii Pacific University, and Brigham Young University, and the Hawaii Government Employees Association;
- (3) Requesting the Schools of Social Work of the University of Hawaii, Hawaii Pacific University, and Brigham Young University to jointly produce a status report of their examination after both three months and six months to the chairs of the House Committees on Health and Labor and Public Employment and the Senate Committees on Human Services and Labor; and
- (4) Requesting the Department of Human Resources Development to report its findings to the Legislature nine months after the adoption of this measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference concurs with the intent and purpose of S.C.R. No. 127, S.D. 1, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. 127, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives M. Oshiro, Caldwell and Blundell.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Blundell).

STANDING COMMITTEE REPORTS

SCRep. 2001 (Majority) Ways and Means on H.B. No. 2585

The purpose of this measure is to authorize funds for the current expenses of the Legislature up to and including June 30, 2005.

The measure also provides funding for the expenses of the legislative auditor, the legislative reference bureau, the ombudsman, the legislative information system, and the legislative broadcast program.

The office of the legislative auditor, the legislative reference bureau, the state ethics commission, and the office of the ombudsman testified in support of this measure. The following departments submitted comments: department of accounting and general services, department of transportation, department of health, and department of human services.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2585, H.D. 1, and recommends that it pass Second Reading in the form attached hereto, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Inouye, Kanno).

SCRep. 2002 Health on S.B. No. 2005

The purpose of this measure is to amend the confidentiality provisions of the mental health, mental illness, drug addiction, and alcoholism law by changing "insurer" to "provider" to indicate that the provider may inform the patient of a reimbursement claim.

Testimony in support of this measure was received from the Department of Health, the Healthcare Association of Hawaii, the Queen's Medical Center, the Hawaii Medical Service Association, the Hawaii Psychiatric Medical Association, and Kaiser Permanente.

Your Committee finds that this measure corrects flawed language in Act 204, Session Law of Hawaii 2003, that was inserted during conference.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2005 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 2003 Health on S.B. No. 2385

The purpose of this measure is to appropriate additional funds for the Hawaii Seropositivity and Medical Management Program (HSPAMM), and the HIV Drug Assistance Program (HDAP).

Testimony in support of this measure was received from the Governor's Committee on HIV/AIDS, the Department of Health, Hawaii CARES, Life Foundation, and seven individuals.

Your Committee finds that the HSPAMM and HDAP programs provide life-saving medications and regular medical tests to hundreds of people with HIV/AIDS in Hawaii. However, while the cost of AIDS drugs has risen in recent years, and the numbers needing treatment have grown, the State has not increased its support for these vital programs. Without additional funding, people in Hawaii living with HIV/AIDS may be forced onto waiting lists for drugs. Additional funding will prevent a wait list, provide more clients with services, and potentially provide more drugs.

Your Committee expresses its concern that the Department of Health, after the Legislature during the special session 2003 had authorized funding for HIV/AIDS programs on Maui, did not request disbursement of the funds, which were available.

Your Committee was advised that the Department anticipates receipt of additional federal funds for HIV/AIDS from the Ryan White CARE Act. Your Committee recommends that the Senate Committee on Ways and Means raise the budget ceiling to allow for this increase. However, the modest increase in federal funding does not begin to address the funding needs of the HSPAMM and HDAP programs. Additionally, your Committee finds that the State is operating below national public health standards with regards to HIV/AIDS treatment. Accordingly, your Committee has amended this measure to reflect an increase in funding beyond what was presented in the original measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2385, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2385, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 2004 Judiciary and Hawaiian Affairs on S.B. No. 2278

The purpose of this measure is to correct errors, omissions, or obsolete provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii.

Your Committee received testimony in support of this measure from the Legislative Reference Bureau.

Your Committee finds that the amendments to the Hawaii Revised Statutes and the Session Laws of Hawaii proposed by this measure are purely technical and are for the purposes of housekeeping, and do not substantively change legislation already enacted.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2278 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Kawamoto, Hogue).

SCRep. 2005 Judiciary and Hawaiian Affairs on S.B. No. 2439

The purpose of this measure is to extend the effective date of the Uniform Arbitration Act from commencing after June 30, 2004, to June 30, 2005.

Testimony in support of this measure was presented by the Director of Human Resources Development and a Deputy Attorney General. Written testimony in support of the measure was submitted by the Judiciary's Director of the Center for Alternative Dispute Resolution, the Director of Human Resources for the City and County of Honolulu, the Chair of the Business and Transaction Issues subcommittee for the Hawaii Association of REALTORS® Legislative Committee, and a representative of the Hawaii Commissioners to the National Conference on Uniform State Laws.

Your Committee finds that delaying the effective date of the Uniform Arbitration Act will allow for thoughtful and thorough discussion of the many procedures and provisions included in the Act.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2439 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Kawamoto, Hogue).

SCRep. 2006 Judiciary and Hawaiian Affairs on S.B. No. 2443

The purpose of this measure is to enact an attorneys' lien statute modeled after the provisions in the Oregon statute relied upon in *Banaitis v. Commissioner of Internal Revenue*, 340 F.3d 1074 (9th Cir. 2003), and to ensure that Hawaii residents who receive non-physical injury settlements or awards are not subject to double federal taxation.

Testimony in support of the measure was presented by two private individuals. Written testimony in support of the measure was submitted by a representative from Rosenberg & Hong and two additional private individuals.

Under the present law, non-personal injury settlements or awards are subject to federal taxes on the full amount, prior to paying attorney's fees. Thus, because attorneys pay taxes for their fees, that portion of the award or settlement is subjected to a double taxation.

Your Committee finds that the Supreme Court of Hawaii has long recognized attorneys' liens for settlement or judgments. *Carroll v. Miyashiro*, 50 Haw. 413, 441 P.2d 638 (1968). However, this measure will clarify and codify the use of attorneys' liens and prevent the unfair occurrence of double taxation on non-personal injury settlements and awards.

Your Committee has amended this measure by including settlements as a type of lawsuit resolution to which an attorneys' lien may attach.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2443, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2443, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Kawamoto, Hogue).

SCRep. 2007 Tourism on S.B. No. 2394

The purpose of this measure is to:

- (1) Delete requirements that the Hawaii Tourism Authority (HTA):

- (A) Develop and include in its marketing plan the goals and objectives to market the State as a techno tourism niche (but adds that function instead in the HTA's new products development responsibilities); and
 - (B) Coordinate the State's telecommunications and information resources of the Department of Accounting and General Services; and
- (2) Delete a redundant reference to the state tourism strategic marketing plan.

Testimony in support of this measure was received from the Department of Business, Economic Development and Tourism and the Hawaii Tourism Authority.

According to the HTA, it is concerned about the discrepancies in statutory language in the use of "may" and "shall" in some sections of chapter 201B, Hawaii Revised Statutes, which lists the duties and responsibilities of the HTA. The use of the word "may" is permissive. The use of the word "shall" as in "shall be responsible for" means that the HTA has jurisdiction over these issues, but it does not require the HTA to do anything affirmative. Your Committee desires the HTA to undertake all of the statutory functions as much as possible, whether those functions are characterized by statute as permissive in nature or having responsibility for them. The proper functioning of the HTA should not depend upon the technicalities of statutory drafting language.

Your Committee has amended this measure on the recommendation of the HTA by:

- (1) Clarifying language allowing the HTA to create a vision and develop a long-range strategic plan for tourism;
- (2) Clarifying language adding coordination of the development of new products for wellness, technology, agriculture, and nature tourism to HTA's functions; and
- (3) Clarifying that the HTA has the responsibility for developing a tourism marketing plan that is updated every year instead of every three years.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2394, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2008 Tourism on S.B. No. 2396

The purpose of this measure is to provide a general excise tax exemption for certain entities from fees received from conference, conventions, and trade shows, including fees for advertising and promotion and private contributions.

Testimony in support of this measure was received from the Hawaii Tourism Authority (HTA), Hawaii Hotel & Lodging Association, and Aloha Society of Association Executives. Testimony in opposition was received from the Department of Business, Economic Development and Tourism (DBEDT) and the Department of Taxation (DTAX).

As explained to your Committee in testimony, this measure does not exempt moneys paid by a group to a hotel or convention center from the general excise tax. Instead, it exempts the moneys paid to the group by persons or entities contracting with the group to use the same space the group contracted for. A typical example would be a group that rents space in a hotel or the convention center to hold a convention. The group pays the hotel or the convention center, which is subject to the excise tax. The company typically books the same space to exhibitors who pay the company for the privilege of exhibition. It is this second layer of transactions by specified organizations that would be exempt from paying the excise tax under this measure.

The testimony did not elicit how much general excise tax moneys are involved. While your Committee can appreciate how an exemption might help to attract conventions and the like, an estimate of the dollar amounts the State might lose needs to be made. The HTA and DBEDT have agreed to work with DTAX meanwhile to make an estimate of the revenue loss. As such, your Committee defers this measure to the Committee on Ways and Means for disposition.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2396 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2009 Health on S.B. No. 2589

The purpose of this measure is to extend the time frame for health insurance companies to determine the outcome of appeals not classified as expedited from forty-five days to sixty days.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs and the Hawaii Medical Service Association. Testimony in opposition to this measure was received from the Hawaii Psychiatric Medical Association.

Your Committee finds that this measure does not unduly prejudice the rights of consumers and that the measure would amend the current statute to mirror federal regulations.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2589 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 2010 Human Services on S.B. No. 2327

The purpose of this measure is to require the Department of Human Services to abolish the enrollment cap in the QUEST program.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, Kokua Council, Advocates for Consumer Rights, Hawaii Primary Care Association, Hawaii Disabilities Rights Center, and Aloha Care. The Department of Human Services submitted testimony in support of the intent of the measure but could not fully support it because of the cost implications.

Your Committee finds that the QUEST program was created to provide health insurance to those who do not meet the employment criteria and are too poor to afford to purchase health insurance as individuals. The program was also designed to cover "gap group" populations, such as college students who are no longer able to remain on their parents' insurance plan, and are unable to afford health care on their own. Unfortunately, due to the cap, 26,000 eligible adults do not have health insurance. These adults turn to community health centers and emergency rooms and it is these establishments that currently bear the cost of caring for the indigent. Thus your Committee finds that removing the cap will ensure all eligible individuals will receive proper health insurance.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2327 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Inouye, Trimble).

SCRep. 2011 (Majority) Human Services on S.B. No. 2149

The purpose of this measure is to allow taxpayers to voluntarily contribute five dollars or more on their state income tax returns to be allocated to the Hawaii Children's Trust Fund, Domestic Violence Prevention Special Fund, and Spouse and Child Abuse Special Accounts.

Testimony in support of the measure was submitted by Hawaii Children's Trust Fund, the Sex Abuse Treatment Center, Parents and Children Together, Good Beginnings Alliance, National Association of Social Workers, Hawaii Coalition Against Sexual Assault, Blueprint for Change, Domestic Violence Clearing House and Hotline, and Hawaii State Coalition Against Domestic Violence. The Department of Taxation submitted testimony in opposition and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that domestic violence is a major problem faced by Hawaii's families. Additional revenue is needed to enhance prevention and intervention services, as well as increase community awareness. The gaps in services need to be addressed so victims of abuse and neglect can receive the specialized services they require.

This bill will allow the public to support programs that offer services to victims of domestic violence and child abuse. Many people, if given the chance, would like to support such programs. The income tax check-off box is an excellent method to raise funds and awareness.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2149 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Trimble). Excused, 2 (Fukunaga, Hooser).

SCRep. 2012 Human Services on S.B. No. 2164

The purpose of this measure is to require members of the clergy to report cases of child abuse to the police or the Department of Human Services, with the exception of information gained through confidential clergy communications.

Testimony in support of this measure was submitted by the Department of Human Services, Child Welfare Services, the United Methodist Church, Christian Science Committee on Publication, the Hawaii Catholic Conference, the Sex Abuse Treatment Center, Hawaii Coalition Against Sexual Assault, Friends of the Children's Justice Center of Maui, Maui Academy of Performing Arts and a private individual.

Your Committee finds that members of the clergy have a responsibility and a duty to provide information that will ensure the safety and well-being of a child who has been abused and neglected. Currently, thirty-eight states include clergy in their reporting laws and many of the testifiers have indicated that this is already a common practice among their members.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2164 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 2013 Human Services on S.B. No. 2166

The purpose of this measure is to extend the eligibility requirements for higher education board allowances for foster youth.

Testimony in support of the measure was submitted by the Department of Human Services, the University of Hawaii, Hawaii Youth Services Network, and Hale Kipa.

Your Committee finds that encouraging and preparing foster youth to pursue higher education is the best way to ensure that they can achieve sustainable self-sufficiency. However, youth seeking a four-year college degree often need more than four years to complete the degree requirements. By extending the eligibility benefits from four years to five and one-half years and deleting the requirement of applying within one year of their high school completion, more foster youth will be able to complete their college degrees.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2166 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 2014 Human Services on S.B. No. 2168

The purpose of this measure is to establish a used crib safety program for children under the age of three that sets standards and provides penalties and remedies.

Testimony in favor of the measure was submitted by Healthy Mothers, Healthy Babies Coalition of Hawaii.

Your Committee finds that there is a need to provide safety standards and govern the sale and use of secondhand cribs for infants and toddlers in Hawaii. Parents and families are often not aware of safety standards for cribs and older cribs can present many dangers to children, including strangulation and suffocation. Currently, there are unsafe cribs in secondary markets, like thrift stores and resale furniture stores. This population at risk must be protected.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2168, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 2015 Human Services on S.B. No. 2224

The purpose of this measure is to appropriate funds for home and community-based programs for the elderly.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association – Retired, Kokua Council, Policy Advisory Board for Elderly Services, Hawaii Disability Rights Center, and three private citizens. The Department of Human Services submitted testimony in opposition.

Your Committee finds that the state programs such as the Residential Alternative Community Care Program, the Nursing Home Without Walls Program, and Chore Services enable the elderly to live in a community-based setting. Aside from the quality of life benefits which flow from a community-based setting as opposed to an institutional setting, these programs are much more cost effective than hospital services or institutionalization.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2224 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Inouye, Trimble).

SCRep. 2016 Human Services on S.B. No. 2226

The purpose of this measure is to annually designate up to \$1 million in excess funds from the unclaimed property trust fund for homeless services.

Testimony in support of this measure was submitted by the Honolulu Police Department, Department of Community Services, Institute from Human Services, National Association of Social Workers, Kalihi-Palama Health Center, Catholic Charities of Hawaii Elderly Services and Community and Immigrant Services, Affordable Housing and Homeless Alliance, Partners in Care, Homeless Solutions, Blueprint for Change, and a private citizen. The Housing and Community Development Corporation of Hawaii and the Department of Budget and Finance submitted testimony in opposition.

Your Committee finds that services to homeless individuals and families, specifically outreach and case management, have not been funded in a consistent manner over the years due to budget constraints. The homeless need to be connected with services to deal with underlying problems of poverty, mental illness, drug addiction, and others. This measure will provide a dedicated source of funding that will assist these vulnerable citizens in obtaining benefits to which they may be entitled.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2226 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Inouye, Trimble).

SCRep. 2017 Human Services on S.B. No. 2227

The purpose of this measure is to establish the sale of travel services for the purposes of promoting prostitution as a class C felony and authorize the suspension or revocation of travel agency registration for engaging in these acts.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs, Honolulu Police Department, Sisters Offering Support, Equality Now, Planned Parenthood of Hawaii, JK Productions, and two private citizens.

Your Committee finds that sex-oriented businesses, including sex tourism, create victims who are exploited, abused, and objectified. The individuals and businesses creating the victimization and profiting from the sex trade must stop. Imposing penalties on the people and businesses that profit from sex-oriented businesses is one step toward holding them accountable for their part in the abuse and exploitation.

Your Committee has amended this measure by including suggested language from the Department of Commerce and Consumer Affairs on what acts constitute a rebuttable presumption of a violation, and technical changes from the Honolulu Police Department.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2227, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Inouye, Trimble).

SCRep. 2018 Human Services on S.B. No. 2301

The purpose of this measure is to require service plans for protection of a minor to include family therapy or services to be provided to the member or members of the child's family who has contributed to abusive incidents in the child's history.

Testimony in favor of the measure was submitted by the Department of Human Services.

Your Committee finds that the Department of Human Services currently includes family therapy and services in the service plan for members of the child's family. It is necessary to provide services for the victim of abuse and their abusers to prevent any future incidents. This measure will help to reduce the occurrence of further abuse.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2301 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Inouye, Trimble).

SCRep. 2019 Health on S.B. No. 2223

The purpose of this measure is to require hospitals to provide information on emergency contraception to sexual assault victims, and to provide emergency contraception when requested by the victim.

Testimony in support of this measure was received from the Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawaii, the American College of Obstetrician and Gynecologists, the Community Alliance of Prisons, Hawaii

Coalition Against Sexual Assault, The Sex Abuse Treatment Center, Healthy Mothers, Health Babies Coalition of Hawaii, Planned Parenthood of Hawaii, The First Unitarian Church, Sestak Rehabilitation Services, American Friends Service Committee, the Women's Coalition, and five individuals.

Testimony voicing conditional support of this measure, provided an exemption for hospitals associated with a religious diocese to 'opt out' is included, was received from the Department of Health and the St. Francis Healthcare System of Hawaii.

Testimony in opposition to this measure was received from the Roman Catholic Church in Hawaii, Hawaii Right to Life, Pro-Family Hawaii, American Center for Law & Justice, and eight individuals.

Your Committee finds that victims of sexual assault should have the right to access therapeutic and medical care following this horrific act of violence, as well as the right to determine their own course of action after an event that stripped them of their control. At the very least, all hospitals should provide immediate and appropriate comprehensive care to all victims of sexual assault, which your Committee believes includes medically accurate information about the potential of pregnancy as a result of the rape and that these victims should have access to emergency contraception (EC) to prevent pregnancy. Offering EC is a time-sensitive issue and needs to be administered within 72 hours of a sexual attack to be effective. This window of opportunity is greatly reduced if the victim is forced to seek help elsewhere.

Your Committee finds that no healthcare provider has the right to choose the patient's course of treatment, or withhold information that would allow the patient to make an informed decision about their own body. Suggestions to include an exemption for hospitals affiliated with a religious diocese were raised, but your Committee finds that exemption unjustifiable as over two hundred Catholic emergency rooms nationwide routinely provide EC to sexual assault survivors.

Your Committee has made technical, non-substantive amendments to the bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2223, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hogue).

SCRep. 2020 Health on S.B. No. 2581

The purpose of this measure is to repeal the sunset provision in Act 292, Session Laws of Hawaii 2001, making permanent the sale of sterile syringes by qualified individuals for the prevention of diseases.

Testimony in support of this measure was received from the Governor's Committee on HIV/AIDS, the Department of Health, the Department of Public Safety, Maui AIDS Foundation, the Hepatitis Prevention, Education, Treatment, and Support Network of Hawaii, Life Foundation, the Drug Policy Action Group, Harm Reduction Hawaii, the CHOW Project, Healthy Mothers, Healthy Babies Coalition of Hawaii, Hawaii CARES, the Association for Professionals in Infection Control and Epidemiology, Inc., and several individuals.

Your Committee finds that this measure will continue an excellent existing law allowing the sale of sterile syringes, which is a proven public health intervention to help prevent the spread of HIV/AIDS and other blood-borne diseases.

Your Committee also finds that since Act 292 became effective, the syringe exchange program has exchanged approximately 16,000 syringes, thus providing safe disposal of these syringes. This law bolsters the State's effort to provide prevention services and develop safer communities.

Your Committee finds that additional amendments beyond what the original measure presents are required and has replaced the contents of the bill with SB 2947. The S.D. 1 would also repeal section 2 of Act 292, Session Laws of Hawaii 2001, as the requirements of that section have already been completed and are no longer applicable.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2581, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2581, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 2021 Transportation, Military Affairs, and Government Operations on S.B. No. 245

The purpose of this short form measure is to amend the laws relating to transportation.

Your Committee has amended this measure by replacing its contents with language that requires the Department of Transportation to cease the funding of the vanpool program of the city and county of Honolulu.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 245, as amended herein,

and recommends that it pass Second Reading in the form attached hereto as S.B. No. 245, S.D. 1, and be recommitted to the Committee on Transportation, Military Affairs, and Government Operations, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

SCRep. 2022 Human Services on S.B. No. 2156

The purpose of this measure is to appropriate funds for nonschool-hour programs for children or youth enrolled in school.

Testimony in support of this measure submitted by the Department of Human Services, the Honolulu Police Department, Hawaii Youth Services, Coalition for a Drug-Free Hawaii, Hale Kipa, Blueprint for Change, and the Hawaii State Student Council.

Your Committee finds that nearly two-thirds of school age children are in homes where both parents work, yet few communities have before and after-school care systems for children. A survey of thirteen Hawaii communities revealed that 85% list their highest priority need is for organized activities for youth to end illicit drug use and underage drinking. Furthermore, statistics show that during after-school hours is the most likely time for a youth to be involved in a crime, either as a victim or a perpetrator. Therefore, it is important to have structured programs and activities during the nonschool-hours for the youth to prevent or reduce risk factors and establish and strengthen protective factors.

Although Hawaii has the A+ Program for grades K-6, older children also need adult supervision. This bill will assist the State through dedicated funding for nonschool-hour programs. These programs can counteract the negative environmental factors that contribute to lack of opportunities and ability to learn.

Your Committee has amended this measure by amending the expending agency in section 3 to correctly reflect the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2156, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 2023 Tourism on S.B. No. 2302

The purpose of this measure is to make an appropriation to the Filipino Centennial Celebration Commission to prepare for the 2006 Filipino Centennial Celebration.

Testimony in support of this measure was received from The State Foundation on Culture and the Arts, Filipino Centennial Celebration Commission, Honolulu Filipino Junior Chamber of Commerce, Oahu Filipino Community Council, Laborers' International Union of North America Local 368, and four individuals.

Your Committee notes that the State Foundation on Culture and the Arts supported the intent, but not the appropriation.

Act 159, Session Laws of Hawaii 2002, established the fifteen member temporary commission to, among other things, prepare an overall program to celebrate the centennial anniversary of the arrival of the Filipino people in Hawaii, their significant contributions to the development of this State, and their culture and heritage. The commission is also charged with developing, planning, and coordinating the various program activities that will be scheduled throughout the year. Act 159 did not appropriate any funds, but allowed the commission to seek grants from public and private sources and to accept donations.

Your Committee has amended this measure to provide for a matching appropriation, and to change the expending agency to the Office of the Governor under which Act 159 placed the commission for administrative purposes.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2302, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2302, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2024 Commerce Consumer Protection and Housing on S.B. No. 2528

The purpose of this measure is to appropriate funds for the loss mitigation grant program and to modify program criteria relating to matching fund percentages and reimbursable costs.

The State Department of Defense, Oahu Civil Defense Agency, Hurricane Risk Mitigation Task Force, and Hawaii Association of Realtors testified in support of the measure. The Department of Commerce and Consumer Affairs testified in opposition to the measure.

The State's loss mitigation grant program was established to encourage the installation of wind resistive devices in residential property. The program reimburses homeowners for fifty per cent of their costs to purchase, install, and inspect wind resistive devices, up to a maximum amount of \$2,100.

This measure reduces the State's match from fifty per cent to thirty-five per cent of the homeowner's cost, consistent with the thirty-five per cent solar energy system tax credit, repeals the authorization for reimbursement of inspection costs, and appropriates \$1,000,000 in general revenues for the program. Your Committee finds this measure will reduce the program's administrative costs and enable the award of a greater number of grants.

Your Committee has amended this measure to clarify that the expending agency for the appropriation is the department of commerce and consumer affairs, and not the insurance commissioner.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2528, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 2025 Human Services on S.B. No. 2144

The purpose of this measure is to appropriate funds for a youth summit, wherein Hawaii's youth can have a forum to discuss issues of importance to them and allow them to play an active role in improving the living conditions of the young citizens of Hawaii.

Testimony in support of this measure was submitted by the Department of Human Services (department) and Hawaii Youth Services Network.

Your Committee finds that young people can be a partner in efforts to solve community problems and using them as a resource can make our solutions more effective. A summit for youth to participate in shaping the community in which they live supports the philosophy of the department's Office of Youth Services. Hawaii's youth needs a platform to ensure that their interests are represented and this summit can provide them a forum to voice their opinions of community needs and solutions.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2144 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Hooser, Inouye).

SCRep. 2026 Human Services on S.B. No. 2860

The purpose of this measure is to provide the Child Support Enforcement Agency with access to public health statistics records maintained by the Department of Health's Office of Health Status Monitoring.

The Department of Human Services, the Attorney General, and the Department of Health submitted testimony in support of this measure.

Your Committee finds that there is a need to provide child support enforcement agencies with access to vital statistics records to comply with federal regulations. In previous years, Hawaii was found to be out of compliance with paternity establishment performance requirements and was assessed penalties. The penalties imposed include a restriction of one percent during the federal fiscal year of 2004 on our Temporary Assistance for Needy Families Program block grant and the State will be required to appropriate an additional \$980,000 in general funds during the federal fiscal year of 2006 for non-compliance. This measure will help ensure future compliance with federal requirements.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2860 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Ige, Inouye).

SCRep. 2027 Human Services on S.B. No. 2932

The purpose of this measure is to require the Department of Human Services to inform the police department of all dependent adult abuse or neglect reports, except self-neglect, and to inform the police department or prosecuting attorney of relevant information concerning a case when the information is required for the investigation or prosecution of the case.

Testimony in support of this measure was submitted by the Department of Human Services. The Honolulu Police Department and the Maui County Police Department submitted testimony in opposition. The Honolulu Prosecuting Attorney submitted comments.

Your Committee finds that a dependent adult is someone who has a mental or physical impairment and is dependent upon another person or care facility for personal health and safety. These individuals are unable to fully protect themselves from harm. Passage of this measure will help in the reporting of adult abuse or neglect to county police and enhance the investigation and prosecution of the perpetrators.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2932 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Ige, Inouye).

SCRep. 2028 Human Services on S.B. No. 2933

The purpose of this measure is to comply with recommendations of the federal Child and Family Services Review of Hawaii's child welfare system.

Testimony in support of this measure was submitted by the Department of Human Services. The Judiciary submitted comments.

Your Committee finds that the federal Child and Family Services Review of Hawaii's child welfare system recommends the use of culturally sensitive, family strengthening diversion and other supportive services to improve the safety and well-being of children and families. The amendments in this measure are necessary to comply with the federal recommendations. This measure clarifies that care giving of children outside of the family home by relatives and friends and other diversion and supportive services are available in lieu of taking custody of their children. This will ensure that the child will not be taken out of custody unnecessarily and preserve the relationships that are important to the child's well-being.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2933 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Ige, Inouye).

SCRep. 2029 Human Services on S.B. No. 2934

The purpose of this measure is to clarify that, for motor vehicle insurance purposes, the covered loss deductible does not include public assistance benefits.

Testimony in support of this measure was submitted by the Department of Human Services and the Consumer Lawyers of Hawaii. The Hawaii Insurance Council submitted opposing testimony.

Your Committee finds that the covered loss deductible for personal injury recoveries operates to exclude awards of medical expenses. Usually, motor vehicle insurance pays for medical expenses where the covered loss deductible operates to prevent a double payment for medical expenses. However, public assistance pays for medical expenses while the covered loss deductible prevents the reimbursement of public assistance funds because it excludes payments for medical expenses. Meanwhile, the recipients are required to reimburse the Department of Human Services and their recovery is further reduced by the covered loss deductible. This measure will clarify that public assistance benefits are excluded from covered loss deductibles.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2934 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Ige, Inouye).

SCRep. 2030 Health on S.B. No. 2580

The purpose of this measure is to authorize issuance of general obligation bonds and appropriate funds for the Hawaii Health Systems Corporation.

Testimony in support of this measure was received from the Hawaii Health Systems Corporation, Hale Ho'ola Hamakua in Honokaa, Hilo Medical Center, Maui Memorial Medical Center, Kula Hospital, the Hawaii Government Employees Association/AFSCME Local 152, AFL-CIO, and the Chamber of Commerce of Hawaii.

Your Committee finds that there is a tremendous shortage of long-term care beds in Hawaii. Providers of long-term care services are working very hard to maximize efficient utilization of the current number of beds. But an increase in the number of beds is critical to meet the fast growing demand.

Your Committee also finds that a sixty-bed expansion of the Hale Ho'ola Hamakua long-term care facility, the construction of a sixteen-bed Alzheimer and forty-nine bed long-term care facility at Kula Hospital, and the renovation and expansion of the emergency

room at Maui Memorial Medical Center are critically needed to increase access to long-term and emergency care services and to enhance the overall quality of care for patients living in the rural communities that they serve.

Your Committee finds that the department of accounting and general services is not the appropriate expending agency and has amended this measure to replace that department with the department of health.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2580, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 2031 Judiciary and Hawaiian Affairs on Gov. Msg. No. 1

Recommending that the Senate consent to the nomination of the following:

CIRCUIT COURT OF THE FIRST CIRCUIT, 16TH DIVISION

PATRICK W. BORDER, for a term of ten years.

Upon review of the resume, application for judicial office, letter dated January 30, 2004, and testimony, your Committee finds that the nominee received a BA and a JD degree from the University of Nebraska. He has been an attorney with Cronin Fried Sekiya Kekina & Fairbanks for about twenty years. Prior to his tenure at Cronin Fried Sekiya Kekina & Fairbanks, the nominee was a Judge Advocate, United States Air Force; Deputy Attorney General, State of Hawaii; Deputy Corporation Counsel, City and County of Honolulu; and Deputy Prosecuting Attorney, City and County of Honolulu.

Your Committee further finds that the nominee is a member of the Hawaii State Bar Association, American Bar Association, Asia Pacific Lawyers Association, Inter Pacific Bar Association, Association of Trial Lawyers of America, Consumer Lawyers of Hawaii, and Mediation Center of the Pacific.

Your Committee received testimony in support of the nominee from the State Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, Hawaii State Bar Association (HSBA), Executive Trust Company, the Mediation Center of the Pacific, New Hope Christian Fellowship, thirty-two attorneys, and thirteen individuals.

The Board of Directors of the HSBA has found the nominee to be highly qualified to serve as a circuit court judge. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate is asked to submit a resume, respond to a questionnaire, and appear before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Your Committee notes that the nominee has thirty years of experience in representing plaintiffs and defendants in trials and appellate procedures. In addition, the nominee has considerable experience in mediation practices and has won the Mediator of the Year award in 1998 and 2003. All of this experience as a practicing attorney and mediator should facilitate an expedient and smooth transition for the nominee into this position.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2032 Judiciary and Hawaiian Affairs on Gov. Msg. No. 2

Recommending that the Senate advise and consent to the nomination of the following:

INTERMEDIATE COURT OF APPEALS, ASSOCIATE JUDGE

CRAIG H. NAKAMURA, for a term of ten years.

Your Committee received testimony in support of the nominee from a United State Circuit Judge, United States Court of Appeals for the Ninth Circuit; six United States District Judges, United States District Court, District of Hawaii; two United States magistrate judges, United States District Court, District of Hawaii; the United States Attorney, District of Hawaii; the Federal Public Defender; an Assistant Federal Defender; the State Attorney General; an associate dean from the William S. Richardson School of Law; the Prosecuting Attorney, City and County of Honolulu; the Hawaii State Bar Association (HSBA); Appraisal Hawaii; eighteen attorneys; and five individuals.

The Board of Directors of the HSBA has found the nominee to be highly qualified to serve as an associate judge for the Intermediate Court of Appeals. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate

is asked to submit a resume, respond to a questionnaire, and to appear before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Your Committee finds that the nominee graduated with distinction with a BA from the University of Hawaii and cum laude with a JD from Harvard Law School. Currently, the nominee is an assistant United States Attorney, and was previously an associate at Goodsell Anderson Quinn & Stiffel. The nominee was also a law clerk to the Honorable Herbert Choy, United States Ninth Circuit Court of Appeals, and an Adjunct Professor of appellate advocacy at the William S. Richardson School of Law. The nominee is also a current member of the Hawaii State Bar Association and American Bar Association, and he served as a Director of the Hawaii State Bar Association from 1990 to 1991.

Your Committee finds that the nominee has received overwhelming support from the federal court community with unprecedented support from the federal bench. Further, the nominee has had twenty-two jury trials and fifty-three appeals filed with the United States Court of Appeals for the Ninth Circuit, and presented oral arguments in twenty-three cases. Based on this nominee's extensive experience in trial and appellate cases and recommendations from the legal community, your Committee believes that he would be an excellent addition to the Intermediate Court of Appeals.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2033 Judiciary and Hawaiian Affairs on S.B. No. 1000

The purpose of this measure is to require members of the clergy to report cases of child abuse to the Police Department or to the Department of Human Services.

Testimony in support of this measure was submitted by the Child Welfare Services State Advisory Council, Department of Human Services, Christian Science Committee Publication, Roman Catholic Diocese of Honolulu, President of the Children's Alliance of Hawaii, Hawaii Superintendent of the United Methodist Church, Coordinator for the Hawaii Coalition Against Sexual Assault, Director of the Sex Abuse Treatment Center, and one private individual.

Your Committee finds that members of the clergy should have a legal responsibility and duty to provide information to the appropriate authorities to ensure the safety and well being of a child who has been abused or neglected. However, your Committee believes that information of abuse and neglect that was obtained by means of a confidential communication, confession, or admission, such as information obtained in a confessional, should not be subject to this rule.

Your Committee has amended the measure by:

- (1) Clarifying that all religious ministers or officials are subject to reporting requirements;
- (2) Mandating reporting requirements for staff members of any church, synagogue, temple, mosque, or other religious institutions; and
- (3) Protecting any confidential communication, admission, or confession made to members of the clergy who are practicing or under the rules of their religion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1000, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2034 Transportation, Military Affairs, and Government Operations on S.B. No. 2003

The purpose of this measure is to eliminate exemptions to the child seat belt law, require that all available seat belts be used to restrain passengers, and require every child to be restrained.

Testimony in support of this measure was received from the Department of Transportation, Honolulu Police Department, and State Farm Mutual Automobile Insurance Company.

Current law does not require child seat belt use if the number of persons in the vehicle exceed the number of seat belts available in the vehicle or the number originally installed in the vehicle. This measure repeals that provision and requires every child to be restrained.

Your Committee finds that wearing seat belt restraints saves lives. According to the National Highway Traffic Safety Administration, a person wearing a seat belt is approximately forty-five percent more likely to survive a serious motor vehicle crash.

Child restraints have been shown to reduce the risks of fatal injuries by as much as seventy-one percent for infants and fifty-four percent for toddlers.

This measure promotes the safety and well being of minors traveling in a motor vehicle.

Your Committee has amended this measure by providing that every person under the age of eighteen in the back seat of a motor vehicle shall be secured by a seat belt restraint.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2003, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 2035 Transportation, Military Affairs, and Government Operations on S.B. No. 2015

The purpose of this measure is to clarify when a vehicle is deemed abandoned on a public highway for purposes of disposal.

Testimony in support of this measure was received from the Honolulu Department of Customer Services, the Windward Ahupuaa Alliance, and Hawaii Independent Automobile Dealers Association.

Your Committee finds that the current statute allows a vehicle to be declared “abandoned” only after the vehicle has been left unattended for a continuous period of more than twenty-four hours and is unlawfully parked on public property.

Your Committee further finds that vehicles abandoned on public highways pose increased safety hazards, create eye-sores, and promote the misuse of public roads for the storage of vehicles being dismantled or repaired.

This measure will allow for the immediate removal and disposal of any vehicle parked on a public highway that is not currently registered and safety checked. This measure provides that the vehicle is considered abandoned immediately if it has no current registration and no current safety inspection, as evidenced by the lack of the appropriate stickers.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2015 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 2036 Transportation, Military Affairs, and Government Operations on S.B. No. 2021

The purpose of this measure is to clarify the definition of street rod vehicle to include those manufactured before 1967 for purposes of the special interest vehicles law, and to require those vehicles to be equipped with a seat belt assembly.

Testimony in support of this measure was received from the Hawaii Independent Automobile Dealers Association, the Volkswagen Club of Hawaii, the Security Alarm Shop, Mr. Sandman Inc., Kaimuki ACE Hardware, Fred’s Auto Top Shop, Inc., and 137 individuals. Testimony in opposition was received from the Department of Transportation and the Department of Customer Services of the City and County of Honolulu.

Your Committee acknowledges that over the passage of time certain makes and models of automobiles have become a significant part of our national heritage and remnants of decades past.

Your Committee further acknowledges the significant investment in time and money owners of street rod replica vehicles put into their specialized cars to comply with current safety requirements, while at the same time retaining the vehicles’ original charm.

Your Committee finds that requiring the installation and use of seat belts is necessary to promote motor vehicle safety.

Your Committee has amended this measure by changing the year of manufacture from 1967 to 1968, based upon the testimony.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2021, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 2037 Transportation, Military Affairs, and Government Operations on S.B. No. 2022

The purpose of this measure is to authorize the issuance of a state vehicle identification number for dune buggy replica vehicles as special interest vehicles for use on public roadways.

Testimony in support of this measure was received from the Volkswagen Club of Hawaii and one individual. Testimony in opposition was received from the Department of Transportation and the City and County of Honolulu Department of Customer Services.

This measure defines "dune buggy replica" vehicle and establishes registration standards and seat belt requirements necessary for licensing dune buggy replica vehicles as special interest vehicles for use on public roads.

Your Committee finds that dune buggy replica vehicles should be licensed for use on public roadways, in addition to street rod vehicles, which are currently authorized by law.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2022 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 2038 Transportation, Military Affairs, and Government Operations on S.B. No. 2034

The purpose of this measure is to clarify that administrative dispositions do not constitute grounds for debarment or suspension of a contractor under the Hawaii public procurement code.

Testimony in support of this measure was received from the American Public Works Association Hawaii Chapter, Pacific Structural Consultants, Inc., and the General Contractors Association of Hawaii. Testimony in opposition was received from the State Procurement Office and the Department of Accounting and General Services.

Your Committee finds that the primary purpose of debarment or suspension is to protect the public interest. Administrative action does not rise to the level of a serious deviation from the standards of honesty such as would warrant debarment or suspension from bidding on government contracts. Your Committee does not mean to diminish the administrative process, but your Committee feels that a court ordered disposition of the case would be more appropriate as a precondition.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2034 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 2039 Transportation, Military Affairs, and Government Operations on S.B. No. 2344

The purpose of this measure is to prevent the State and counties from prohibiting military munitions transfers through interstate vehicle tunnels.

Testimony in support of this measure was received from the Department of Transportation.

This measure is intended to facilitate the military's practice of transporting explosives through interstate vehicular tunnels that are part of the federal Strategic Highway Network.

Your Committee has amended this measure by requiring the compliance with national safety standards in the transportation of military munitions and explosives.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2344, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2344, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 2040 Judiciary and Hawaiian Affairs on S.B. No. 2540

The purpose of this measure is to appropriate funds for payment of Hawaii's state dues as a member of the National Conference of Commissioners on Uniform State Laws, and for registration and travel costs of sending Hawaii's delegation to the 2004 annual meeting of the National Conference.

Testimony in support of the measure was presented by the Chair of the Commission to Promote Uniform Legislation.

Your Committee finds that the National Conference of Commissioners on Uniform State Laws arose from the concerns of state governments to improve both the law and interstate relationships. As a nationwide state-service organization, the National Conference of Commissioners on Uniform State Laws is funded by state contributions based on population.

The work of the National Conference of Commissioners on Uniform State Laws has resulted in contributions to state law in a variety of subject areas, notably the Uniform Commercial Code, Uniform Probate Code, and a number of other uniform laws. Your Committee finds that Hawaii's continued support of and participation in the National Conference of Commissioners on Uniform State Laws is essential to continued work in drafting and revising uniform laws on subjects of state interest.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2540 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2041 Commerce Consumer Protection and Housing on S.B. No. 3072

The purpose of this measure is to exempt health insurers from the payment of premium taxes on gross premiums received.

The Department of Commerce and Consumer Affairs, Hawaii Transportation Association, Hawaii Medical Association, and Kaiser Permanente testified in support of this measure. The Tax Foundation of Hawaii presented comments.

Health insurers organized under chapter 431, Hawaii Revised Statutes (HRS), are subject to a premium tax rate of 4.265 per cent on gross premiums received, while mutual benefit societies and health maintenance organizations, organized respectively under chapters 432 and 432D, HRS, are exempted from the tax assessment.

This measure establishes a premium tax exemption for health insurers. Your Committee finds that extending the exemption to health insurers will create a more level playing field among health insurance providers and encourage greater competition in the marketplace.

Your Committee has amended this measure to:

- (1) Replace references to "prepaid health care plan contracts defined in chapter 393" with references to "health care plan contract";
- (2) Define "health care plan contract" within section 431:7-202, HRS, consistent with the definition of "prepaid health care plan" established in section 393-3, HRS;
- (3) Provide that the tax exemption applies to all gross premiums received by health insurers after June 30, 2004; and
- (4) Reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3072, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3072, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 2042 Transportation, Military Affairs, and Government Operations on S.B. No. 2016

The purpose of this measure is to impose an additional license renewal fee on individuals convicted of driving under the influence of intoxicants.

Testimony in support of this measure was received from the Department of Transportation, Honolulu Police Department, Mayor of Maui, and six Maui Council Members. Testimony in opposition was received from the Office of the Public Defender.

The intent of this measure is to punish drunk driving offenders and to provide counties with much needed funding to continue their law enforcement activities on behalf of the State. Your Committee finds that it is fair and reasonable to assess drivers who have a driving under the influence conviction with an extra fee to renew their driver licenses. Under this measure, the fee assessment is for two license renewal cycles.

Your Committee has amended this measure to clarify that the additional fee assessment becomes the realization of each county police department in which the conviction occurred.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2016, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2043 Transportation, Military Affairs, and Government Operations on S.B. No. 2017

The purpose of this measure is to provide that operating a vehicle at greater than thirty miles per hour over the posted speed limit is a class C felony.

Testimony in support of this measure was received from the Department of Transportation. Testimony in opposition was received from the Honolulu Police Department (HPD) and the Office of the Public Defender.

This measure also imposes a fine of \$10,000, and a one-year license suspension. For an offense occurring within five years of a prior conviction, the license suspension is for three years.

The intent of this measure is to deter street racing by providing stricter penalties. Any person driving over the posted speed limit by thirty mile per hour would be guilty of a class C felony and fined \$10,000 and have the license suspended for one year. A repeat offender within five years of a prior conviction is subject to additional penalties of a three year license suspension and vehicle forfeiture.

Your Committee finds that vehicle racing has become all too common and popular, so much so that it has resulted in deaths of drivers, passengers, and pedestrians. Your Committee feels that it has a legislative and moral obligation to enact tough sentencing laws to deter and punish drivers who feel a need for speed. Moreover, the HPD testified that racing has caused the needless deaths of many innocent people on our highways, and that this measure would be a deterrent to drivers contemplating racing.

HPD's objection to this measure stems from its concern that it has inadequate facilities to store forfeited vehicles. Your Committee believes that their concern is primarily about money, and your Committee finds that monetary concerns should not take a back seat to saving lives.

Your Committee has amended this measure to clarify the basis of the forfeiture.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2017, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2044 Transportation, Military Affairs, and Government Operations on S.B. No. 2019

The purpose of this measure is to require all drivers under the age of eighteen to be accompanied by a licensed driver over the age of twenty-one when driving between 10:00 p.m. and 4:00 a.m.

Testimony in support of this measure was received from the Department of Transportation, Honolulu Police Department (HPD), State Farm Mutual Automobile Insurance Company, Keiki Injury Prevention Coalition, Hawaii Insurers Council, and Mothers Against Drunk Driving. Testimony in opposition was received from the Office of the Public Defender and Hawaii Motorcycle Dealers Association. Comments were received from the Judiciary and Hawaii Youth Services Network.

This measure also specifies exceptions to attend school, go to employment, or for emancipation of the minor, and provides for a waiting period before a suspended or revoked license is reinstated.

Your Committee finds that excessive speed is one of the primary causes of major automobile accidents, and speed related accidents are increasing dramatically. Young drivers are particularly prone to poor driving habits, due to their relative immaturity and inexperience behind the wheel. Your Committee further finds that there must be stricter laws to protect the public from inexperienced young drivers, and to protect those drivers from themselves as well. The intent of this measure is to do what is practical to decrease the likelihood of risky driving behavior.

Your Committee is cognizant from the testimony that this measure may be difficult to enforce. However, your Committee believes that the perceived impracticalities, if any, will prove to be specious in actual enforcement on the road. Your Committee further finds that impracticalities should not take a back seat to traffic safety and saving lives.

Your Committee has amended this measure by changing the time period to 11:00 p.m. to 5:00 a.m. as more reasonable on recommendation of the HPD.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2019, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2019, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2045 Transportation, Military Affairs, and Government Operations on S.B. No. 2020

The purpose of this measure is to allow the counties to increase the motor vehicle registration fee from five dollars to ten dollars.

Testimony in support of this measure was received from the Hawaii State Association of Counties, two Maui Council Members, and one Kauai Council Member.

This measure would increase the fee from five to ten dollars. Current law provides that any increase over two dollars must be expended solely to defray the additional cost in the disposition and other related activities of abandoned or derelict vehicles.

Your Committee finds that this measure is important in assisting the counties with absorbing some of the escalating costs associated with the disposition of abandoned vehicles.

Your Committee has made a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2020, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2020, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2046 Transportation, Military Affairs, and Government Operations on S.B. No. 2024

The purpose of this measure is to enact a new penalty for drivers who violate pedestrians' rights under the statewide traffic code, and to clarify pedestrians' duties when crossing at crosswalks not having a traffic signal or an inoperable traffic signal.

Testimony in support of this measure was received from the Department of Transportation, Honolulu Prosecuting Attorney, and Honolulu Police Department. Comments were received from the Office of the Public Defender.

This measure further provides that:

- (1) Whenever any vehicle is stopped at a marked crosswalk or at an unmarked crosswalk at an intersection to permit a pedestrian to cross the roadway, the driver of another vehicle approaching from the adjacent lanes to the rear of the stopped vehicle may proceed no further than the front bumper of the stopped vehicle and must come to a stop;
- (2) A pedestrian is prohibited from crossing outside of a marked crosswalk at an intersection, or within 200 feet of an intersection or marked crosswalk in residential areas; and
- (3) A pedestrian is prohibited from crossing a roadway at a point where a pedestrian tunnel or overhead pedestrian crossing has been provided.

This measure imposes a three tier system of fines for the first, second, and third conviction within a specified time interval. Pedestrians are required to look for a break in traffic that will permit time for a vehicle to stop safely to permit a pedestrian to cross; make every effort to make eye contact with the driver of the approaching vehicle; and stop prior to entering each lane of a multi-lane highway.

Your Committee finds that Hawaii drivers are generally in a hurry on the road, causing them to fail to yield the right of way to pedestrians. While there may be contrary attitudes as to which should have the right of way, one thing is clear: the moving vehicle is a dangerous instrument when facing a pedestrian. As such, it is incumbent upon your Committee to provide for a penalty to drivers who do not yield the right of way to pedestrians and to clarify the law on pedestrian rights when crossing.

Your Committee has amended this measure by:

- (1) Deleting provisions specifying the requirements for pedestrians to observe when crossing in a crosswalk or intersection with no operating traffic control signals, because of testimony that this is a matter of individual judgment;
- (2) Adding a provision to cover the situation wherein a driver seeks to overtake a vehicle directly in front which is stopped for a pedestrian to cross; and
- (3) Adding a conforming statutory amendment.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2024, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2024, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2047 Transportation, Military Affairs, and Government Operations on S.B. No. 2014

The purpose of this measure is to transmit uncontested traffic fines and forfeitures to the counties.

Testimony in support of this measure was received from the Honolulu Department of Budget and Fiscal Services, Honolulu Police Department, Mayor of Maui, Kauai County Council, six Maui County Council Members, one Hawaii County Council Member, and the Hawaii State Association of Counties (HSAC). Comments were received from the Judiciary.

The uncontested traffic fines and forfeitures affected by this measure comprise a portion of the total traffic fines collected. The transmittal to the county in which the traffic violation occurred would be made in two increments, from July 1, 2004 through June 30, 2005 at fifty per cent, and from July 1, 2005 and thereafter at the total amount. The sums are minus administrative expenses to the State for expenses of the traffic violations bureau.

This measure is part of the legislative package of HSAC. Your Committee finds that the counties have a valid claim to the uncontested traffic fines and forfeitures inasmuch as they provide police protection and traffic enforcement.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2014 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2048 Transportation, Military Affairs, and Government Operations on S.B. No. 2026

The purpose of this measure is to require the forfeiture of a vehicle used in the commission of a street racing offense, if the offense occurs within five years of one or more prior convictions.

Testimony in support of this measure was received from the Department of Transportation. Testimony in opposition was received from the Honolulu Police Department and the Office of the Public Defender. Comments were received from the Honolulu Prosecuting Attorney.

This measure is intended to remove the instrumentality of the commission of street racing, which is the car itself. Your Committee finds that vehicle forfeiture is a vital and necessary tool to enforce the law, and to deter repeated street racing by persons who are compelled to gratify their need for speed. Without a forfeiture law, stiff criminal penalties may not be sufficient. Drag racers would rather chance being caught and just get off with a fine than not race at all. Forfeiture of the vehicle, however, has a significantly stronger deterrent effect.

Your Committee has amended this measure by clarifying the basis of the forfeiture.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2026, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2026, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2049 Transportation, Military Affairs, and Government Operations on S.B. No. 2040

The purpose of this measure is to require a county to reimburse the Auditor for an audit only if the legislature has appropriated and transmitted funds to the county for the audit.

Testimony in support of this measure was received from the Kauai County Attorney and two Kauai County Council Members.

This measure is intended to relieve the financial burden of a state audit upon the counties.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2040 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2050 Transportation, Military Affairs, and Government Operations on S.B. No. 2045

The purpose of this measure is to make an appropriation to the Hawaii Civil Air Patrol (CAP).

Testimony in support of this measure was received from the Hawaii Department of Defense.

This measure would enable the CAP to resume flight operations and training in support of State and county civil defense agencies. This support involves an airborne warning system to beaches and coastline communities in at the outset of a tsunami or hurricane. Thus, the CAP plays a vital role in civil defense.

Your Committee has amended this measure to provide the appropriation on a matching basis.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2045, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2051 (Majority) Transportation, Military Affairs, and Government Operations on S.B. No. 2052

The purpose of this measure is to enact a mass transit excise tax and use tax to provide a dedicated source of funding for mass transit development in more populous counties.

Testimony in support of this measure was received from the City and County of Honolulu Department of Transportation Services, the Chamber of Commerce of Hawaii (supporting mass transit but taking no position on a tax increase), Land Use Research Foundation of Hawaii, SAH-Subcontractors Association of Hawaii, the Estate of James Campbell, Hawaii Building and Construction Trades Council AFL-CIO, Leeward Oahu Transportation Management Association, Waipahu Business Association, General Contractors Association of Hawaii, and one individual. Testimony in opposition was received from the Department of Transportation, Department of Taxation, National Federation of Independent Business-Hawaii, Hawaii Association of Realtors, and two individuals. Comments were received from Tax Foundation of Hawaii and Gaming Advocacy Partners LLC.

This measure establishes a mass transit special fund to hold the revenues generated from the increased taxes. Moneys in the fund may be expended solely on mass transit development.

Your Committee finds that the federal government is requiring the State to demonstrate a commitment to fund a mass transit system from state or local funds as a precondition to providing federal funding. U.S. Representative Earl Blumenauer (Oregon), a leading advocate of mass transit financing in Congress, on a January 7, 2004 visit told transportation and business leaders in Honolulu that the State needs to have its local fundraising plan in place before Congress acts on a new long-term transportation measure. Action on Capitol Hill could come as early as the end of February 2004. If Hawaii misses that deadline, it might have to wait as long as a decade for another chance at federal mass transit money. U.S. Representative Neil Abercrombie has urged the legislature to expedite a measure to provide a funding mechanism and for the Governor to sign it as soon as possible.

Your Committee further finds that mass transit is a critical element to the alleviation of traffic congestion and is necessary to the full development of West Oahu. Your Committee is cognizant of past failed attempts to fund a mass transit system, and believes that the impetus to get a mass transit system in place has never been stronger than it is right now. However, the opportunity to develop a mass transit system with federal funds is a fleeting opportunity.

Your Committee estimates that this measure would bring in \$130 million a year. Within ten years, the tax would generate \$1.3 billion, or half the cost of the rail system. This measure will demonstrate to Congress the seriousness of Hawaii's intentions regarding mass transit, and that Hawaii is willing to put in \$1.3 billion. Federal officials have informed your Chair that Hawaii should not bother to ask for federal funds without a mechanism in place to fund the local government's portion.

This measure is targeted to a specific county having a large population. Therefore, the Neighbor Islands are not affected, which was the basis of their original opposition.

This measure will make a dream a reality. Your Committee believes that it would be foolhardy to proceed without federal funds when those funds are available.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2052 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 2 (Baker, Menor). Excused, 1 (Aduja).

SCRep. 2052 Transportation, Military Affairs, and Government Operations on S.B. No. 2076

The purpose of this measure is to require reciprocal insurers, whose primary purpose is to insure military personnel, to make satisfactory arrangements for claim and policy servicing for military members, veterans, and their dependents in this State.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs. Comments were received from the Hawaii Independent Insurance Agents Association and USAA.

This measure is intended to help military personnel and their dependents to receive good insurance policy claims adjustment and servicing.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2076 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2053 Transportation, Military Affairs, and Government Operations on S.B. No. 2087

The purpose of this measure is to clarify the fines for the owner of a motor vehicle and for the installer of sun screening devices on the owner's motor vehicle for violation of the motor vehicle sun screening device law.

Testimony in support of this measure was received from the Honolulu Police Department, The Hawaii Business League, and T & T Tinting Specialists, Inc.

Current law does not specify whether it is the owner or the installer who is fined for a violation. This measure fines the owner between \$250 and \$500 and the installer between \$500 and \$1,000 for each separate offense. The installer is also required to reinstall a sun protective device which complies with the law free of charge, or to reimburse the owner for the cost of reinstallation.

Your Committee finds that the current penalty of a fine between \$50 and \$250 is too low to be of deterrence. This measure increases the fines and also fines the installer. Testimony has indicated that there are numerous installers who knowingly contravene the legal limits of tinting in flagrant and intentional violation of the law.

Your Committee has amended this measure by:

- (1) Clarifying that a business entity as the installer is subject to the penalty;
- (2) Adding that a receipt from the installer is prima facie evidence of the identity of the installer; and
- (3) Requiring installers to issue to the vehicle owner a certificate of compliance with the law.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2087, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

SCRep. 2054 Transportation, Military Affairs, and Government Operations on S.B. No. 2131

The purpose of this measure is to make an appropriation for the Department of Defense to publish the Hawaii Veterans' Newsletter.

Testimony in support of this measure was received from the Hawaii Department of Defense, Disabled American Veterans, Oahu Veterans Council, and one individual.

This measure is intended to help Hawaii veterans and their families to become better informed of veterans affairs and services, whether by print or electronic means. With veterans residing on all of the islands, an efficient system of communication and dissemination of news that affect their benefits is crucial.

Your Committee has amended this measure by replacing the sum appropriated with an unspecified amount in order to facilitate further discussion on the funding necessary to carry out the purposes of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2131, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2131, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2055 Transportation, Military Affairs, and Government Operations on S.B. No. 2238

The purpose of this measure is to authorize the revocation of a person's driver's license upon a drug offense conviction pursuant to chapter 712, Hawaii Revised Statutes, for a period of five years.

Testimony in support of this measure was received from the Department of Transportation and the Honolulu Police Department. Testimony in opposition was received from the Office of the Public Defender.

The period of revocation is for five years, or in the case of a minor, until the age of eighteen. This measure requires the court, upon the revocation, to notify the examiner of drivers in the county in which the offense occurred of the revocation. The revoked license may be restored after the period of revocation upon application with a physician's certification that the person is not drug dependent.

Your Committee finds that:

- (1) Illegal drug use is causing a serious safety concern and health epidemic in Hawaii. The revocation of a drug offender's license will help decrease the number of motor vehicle fatalities and injuries caused by illegal drug use; and
- (2) Motor vehicles are often used as a means to transport drugs and promote illegal transactions. The revocation of a drug offender's driver's license will aid in the effective deterrence of the illegal promotion and transportation of drugs.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2238 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 2056 (Majority) Transportation, Military Affairs, and Government Operations on S.B. No. 3078

The purpose of this measure is to transfer jurisdiction over state highways to the counties, effective July 1, 2004, and to make an appropriation to each county accordingly.

Testimony in support of this measure was received from the Honolulu Department of Facilities Maintenance. Testimony in opposition to this measure was received from the Department of Transportation and County of Kauai.

This measure represents the classic home rule issue. According to testimony, other states have moved in the direction of turning over state highways to local jurisdiction. The major issues are transfer of funds from the State to the counties and what to do about federal interstate highways.

Federal law requires that a state department or entity must have management and oversight of federal-aid highway moneys that are distributed to the states. Otherwise, the receipt of federal funds could be jeopardized. However, your Committee believes that there could be a way to satisfy federal requirements, which appear to be mainly financial administration, while having the counties do the maintenance and repair functions.

Since this issue has been discussed in recent years, your Committee wishes to keep the discussion alive by passing it on to the Committee on Ways and Means for further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3078 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Aduja). Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2057 Transportation, Military Affairs, and Government Operations on S.B. No. 2250

The purpose of this measure is to require a liquor licensee to submit to the public hearing process upon an application for expansion of the licensee's business premises.

Testimony in support of this measure was received from the Kailua Neighborhood Board and three individuals.

This measure is intended to ensure adequate community input into any proposed plans of a liquor establishment to expand the size of its premises. Your Committee believes this measure is a fair and reasonable accommodation to the public.

Your Committee has amended this measure by:

- (1) Exempting hotels and temporary one day events; and
- (2) Clarifying that the liquor commission may deny a request for an expansion if the site is within five hundred feet of a school or public playground.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2250, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2058 Transportation, Military Affairs, and Government Operations on S.B. No. 2310

The purpose of this measure is to repeal the sunset date for the public land liability immunity law and the state and county tort liability relating to lifeguard services law.

Testimony in support of this measure was received from the Department of Land and Natural Resources, Honolulu Department of the Corporation Counsel, Kauai County Council, Kauai Office of the County Attorney, and four Maui County Council Members. Testimony in opposition was received from the Consumer Lawyers of Hawaii.

Act 190, Session Laws of Hawaii (SLH) 1996, provided a process by which a legally adequate warning system can be developed at public beach parks to increase public safety, reduce ocean-related accidents, and protect the State and counties from unlimited liability exposure at public beaches and in the ocean. The current sunset date is June 30, 2007.

Act 170, SLH 2002, provided for an exception to tort liability for county lifeguard services while providing rescue, resuscitation, or other lifeguard services on the beach or in the ocean. The current sunset date is also June 30, 2007.

Testimony indicated that both Acts have helped the counties place lifeguards on the public beaches and have helped the State to make public parks safer.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2310 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

SCRep. 2059 Transportation, Military Affairs, and Government Operations on S.B. No. 2313

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation for capital improvement projects for the county of Kauai.

Your Committee did not receive any testimony on this measure.

Your Committee has amended this measure by making unspecified appropriation amounts, in deferral to the Committee on Ways and Means, and by adding appropriation and lapsing language.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2313, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

SCRep. 2060 Transportation, Military Affairs, and Government Operations on S.B. No. 2361

The purpose of this measure is to allow active duty military reservists and national guard members who desire to run for office to file nomination papers and take their oaths by mail.

Testimony in support of this measure was received from the Hawaii Department of Defense and two individuals. Comments were received from the Office of Elections.

The current situation with military reservists and national guard members is deployment at any time for an uncertain length of time. Some of them may desire to run for elective office while deployed. This measure is intended to facilitate their ability to file nomination papers to run for elective office. Your Committee believes they should not be denied the opportunity to serve in public office because they happen to be deployed on temporary duty to protect our country.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2361 and recommends that it pass Second Reading and be referred to the Committees on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2061 Transportation, Military Affairs, and Government Operations on S.B. No. 2364

The purpose of this measure is to increase the allowable income tax deduction for national guard members and reservists who are called up to active duty.

Testimony in support of this measure was received from the Hawaii Department of Defense, Chamber of Commerce of Hawaii, and one individual. Testimony in opposition was received from the Department of Taxation. Comments were received from the Tax Foundation of Hawaii.

The amount of the increase is from \$1,750 to \$5,000. This measure would serve to increase the recruitment incentive, recognize our fighting men and women for their dedication and patriotism, and make a modest increase in their income. Your Committee finds that any revenue loss to the State is insignificant compared to the immeasurable and intangible rewards of this measure to our troops.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2364 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2062 Transportation, Military Affairs, and Government Operations on S.B. No. 2533

The purpose of this measure is to require bicycle riders of all ages to wear bicycle helmets.

Testimony in support of this measure was received from the Department of Transportation, Hawaii Medical Service Association, Keiki Injury Prevention Coalition, The Queen's Medical Center, State Farm Mutual Automobile Insurance Company, and one individual. Testimony in opposition was received from one individual.

Current law only requires persons under the age of sixteen to wear a bicycle helmet. This measure removes that age limitation.

According to testimony, past studies show that wearing a bicycle helmet is the best protection against head injuries. Of the eleven bicycle fatalities in Hawaii from 2001 to 2002, eight of them or seventy-three per cent were not wearing helmets. It is estimated that statewide over 225 people are admitted to hospitals for bicycle related injuries. This represents in excess of four preventable injuries per week in our community. The gruesome picture is made more pathetic by the knowledge that permanent brain injury, or even death, could have been avoided by wearing a bicycle helmet, which can be bought for as little as ten dollars.

Your Committee notes that motorcycle riders are not required to wear helmets. Your Committee acknowledges this inconsistency but notes that the issue of helmets for motorcycles is not before your Committee.

Your Committee has amended this measure by increasing the mandatory helmet age to under eighteen, clarifying that the helmet must meet safety standards in addition to being tested, and by making a technical, nonsubstantive amendment. Your Committee desires this measure to be as congruent as possible with the motorcycles helmet law by requiring all persons under the age of eighteen to wear bicycle helmets.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2533, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

SCRep. 2063 Transportation, Military Affairs, and Government Operations on S.B. No. 2772

The purpose of this measure is to authorize the impounding of motor vehicles for lack of a current certificate of inspection, the owner's lack of a license, or the lack of a valid motor vehicle liability insurance identification card.

Testimony in support of this measure was received from the Maui County Council. Testimony in opposition was received from the Honolulu Police Department.

Your Committee views this measure as a home rule matter to assist the counties financially so that they can perform their governmental duties. The area of traffic violations is one such area. Your Committee believes that the counties should realize more of the fines collected currently by the State.

Your Committee has amended this measure by:

- (1) Applying it to counties with a population of not more than 500,000; and
- (2) Inserting an appropriate statutory cross-reference to the publication of notice law.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2772, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2772, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2064 Transportation, Military Affairs, and Government Operations on S.B. No. 2780

The purpose of this measure is to exempt county fire fighters from civil damages for any acts or omissions while carrying out their duties.

Testimony in support of this measure was received from the County of Kauai and four Maui County Council members. Testimony in opposition was received from the Consumer Lawyers of Hawaii.

This measure adds county fire fighters to the law providing an exception to liability for county lifeguards (Act 170, Session Laws of Hawaii 2002). Your Committee previously passed a measure to remove the sunset date of Act 170. County fire fighters need the same protection from liability as do county lifeguards. Both perform critical life-saving acts in the normal course of their duties.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2780 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2065 Transportation, Military Affairs, and Government Operations on S.B. No. 2913

The purpose of this measure is to authorize the use of deadly force by law enforcement officers engaged in civil defense functions in protection of terrorist threats or acts.

Testimony in support of this measure was received from the state Department of Defense, Department of Public Safety, and Honolulu Police Department.

State and county law enforcement officers currently engage in civil defense functions involving the protection of assets and facilities that are vital to public welfare and national security. Your Committee heard testimony that there are concerns about potential liabilities that could prevent these officers from participating as completely and efficiently as possible.

This measure provides necessary protections to law enforcement officers when engaged in civil defense functions, which is common after the events of September 11, 2001. This is a new role for law enforcement officers, who now find themselves seeking out terrorists and placing themselves in harm's way to protect potential targets of known or unknown assailants. In some cases, the use of deadly force becomes necessary which could be a criminal offense. This measure relieves the doubt about criminal culpability in favor of the law enforcement office under specified conditions.

Your Committee has amended his measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2913, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2066 Transportation, Military Affairs, and Government Operations on S.B. No. 2914

The purpose of this measure is to exempt the construction, installation, maintenance, repair, and replacement of civil defense warning or signal devices and sirens from the coastal zone management law.

Testimony in support of this measure was received from the state Department of Defense and Oahu Civil Defense Agency.

The intent of this measure is to expedite the placement and maintenance of the warning signals which are critical to warning the public of potentially dangerous events. Compliance with the coastal zone management law causes delays in the permitting process.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2914, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2914, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2067 Transportation, Military Affairs, and Government Operations on S.B. No. 2998

The purpose of this measure is to change the passenger facility charge revenue fund to a special fund, and to exempt the fund from the assessment for central service expenses and administrative expenses, and from deposits into the airport revenue fund.

Testimony in support of this measure was received from the Department of Transportation and Airlines Committee of Hawaii.

According to the justification sheet attached to this measure, this is a housekeeping measure intended for clarification. The passenger facility charge revenue fund was created by Act 213, Session Laws of Hawaii 2003 (codified as section 261-5.5, Hawaii Revised Statutes) for the specific purpose of prohibiting expenditure of passenger facility charge revenues for other than approved projects. Expenditures for central services and administrative expenses are prohibited under 14 Code of Federal Regulations §158.13, which specifies that moneys be used only to finance approved projects.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2998 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2068 Economic Development on S.B. No. 2495

The purpose of this measure is to amend the law relating to economic development.

Your Committee has amended this measure by replacing its contents with language that authorizes the issuance of general obligation bonds for the construction of wet lab space and a biotech incubator at Kakaako.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2495, S.D. 1, and be recommitted to the Committee on Economic Development, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kanno).

SCRep. 2069 Health on S.B. No. 2575

The purpose of this measure is to provide for the release of medical records of a deceased person to next of kin.

Testimony in support of this measure was received from the Hawaii Healthcare Association, the Queen's Medical Center, Hawaii Pacific Health, Castle Medical Center, the Hawaii State Teachers Association—Retired, and Kaiser Permanente.

Your Committee finds that a deceased person's medical records may be needed for life insurance or worker's compensation death benefits, as well as used as evidence in a lawsuit in a traffic accident. However, due to requirements of the federal Health Insurance Portability and Accountability Act (HIPAA), a health care provider may only release the patient's medical records if that patient had a will. Absent a will, which many people do not have, the deceased's relatives will have to undergo legal proceedings that can be costly and time consuming.

Your Committee also finds that a patient may oppose the release of medical records to next of kin after death. Your Committee has amended this measure to require the health care provider to honor a patient's written opposition to the release of medical records to next of kin, except pursuant to a court order specifically compelling release.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2575, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 2070 Commerce Consumer Protection and Housing on S.B. No. 2928

The purpose of this measure is to repeal the Rental Housing Trust Fund Advisory Commission (Commission).

The Housing and Community Development Corporation of Hawaii (HCDCH) testified in support of the measure.

The Rental Housing Trust Fund Commission was established in 1992 to administer the Rental Housing Trust Fund. Five years later, the Commission changed from a decision-making body into an advisory body when it was consolidated with the Hawaii Housing Authority and the Housing Finance and Development Corporation into a single entity, the HCDCH. Consequently, responsibility for the adoption of administrative rules, evaluation of the trust fund program, approving trust fund awards, and other duties now rests with the HCDCH and not the Commission.

The Commission still retains an advisory role with respect to approving loan applications submitted by developers of affordable rental housing projects, which means that developers must present their applications to both the Commission and the HCDCH Board. This duplication of efforts is unnecessary and prolongs the loan approval process. Therefore, this measure proposes the repeal of the Commission. Additionally, this measure converts the Commission seat on the HCDCH Board to an at-large position.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2928 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2071 Commerce Consumer Protection and Housing on S.B. No. 3126

The purpose of this measure is to appropriate general revenues to the Dwelling Unit Revolving Fund for the development of affordable housing.

The County of Kauai and the Land Use Research Foundation of Hawaii testified in support of the measure. The Housing and Community Development Corporation of Hawaii testified in opposition to the measure.

This measure appropriates \$100,000,000 in general revenues to the Dwelling Unit Revolving Fund (DURF). Your Committee finds that infusing additional capital into the DURF will stimulate the production of much needed affordable housing for Hawaii's people by enabling developers to obtain financing at below-market rates.

Your Committee has amended this measure to reflect that the expending agency for the funds appropriated is the Department of Human Services, rather than the Department of Business, Economic Development, and Tourism, and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3126, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2072 Labor on S.B. No. 214

The purpose of this measure is to amend the law relating to workforce development.

Your Committee finds that in order to foster the development of a workforce among the Marshallese, Micronesian, and Palauan communities, services must be provided to those individuals to ensure that they are properly assimilated, educated, trained, and prepared for employment within the State.

Accordingly, your Committee has amended this measure by replacing its contents to provide for services to the immigrants from the Freely Associated States—the Republic of the Marshall Islands, the Republic of Palau, and the Federated States of Micronesia, to assist them in being assimilated, educated, trained, and prepared for gainful employment. The measure has also been amended to include the establishment of pilot programs in Waipahu and Kalihi, funded by grants from the Office of Continuing Education at Leeward Community College from the funds received by the State pursuant to the Compact of Free Association Amendments Act of 2003, P.L. 108-188, 11 Stat. 2027.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 214, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 214, S.D. 1, and be recommitted to the Committee on Labor, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2073 Education on S.B. No. 3238

The purpose of this measure is to:

- (1) Implement education reform and decentralization measures; and
- (2) Appropriate funding.

Your Committee received testimony in support of the measure from the Board of Education, a Board of Education member, Department of Education, Department of Accounting and General Services, Hawaii Government Employees Association, Hawaii Business Roundtable, and Hawaii State Teachers Association. Your Committee received testimony in opposition to the measure from the Governor's Senior Policy Advisor, a Board of Education member, and the Director of Finance.

Your Committee finds that the quality of and public confidence in the public educational system has been declining for decades. It is time for major reform. The best means of enhancing the ability of the system to ensure high academic achievement is by:

- (1) Providing the means for a dramatically increased amount of community participation in the affairs of the school;
- (2) Adjusting the per-pupil allocation so that the factors which challenge learning and holistic development may be given appropriate weight, enabling more resources to follow those students who may need additional help to succeed and grow;
- (3) Devolving authority and resources from the central administrative level to the schools;
- (4) Training principals to succeed in their new role as instructional leaders;
- (5) Encouraging excellence in teaching practice; and
- (6) Consolidating the disparate functions relating to the Department of Education away from the various state agencies where these powers currently reside.

Your Committee has amended the measure by:

- (1) Changing all references from "student weighted formula" to "weighted student formula";
- (2) Clarifying that, under the weighted student formula, that not less than ninety three and one-half per cent of moneys allotted to the department shall be spent for schools and school complexes;
- (3) Creating a Committee on Weights in the Department of Education to determine the appropriate weight to give each factor affecting learning, as well as an advisory group to oversee their work and submit their recommendations to the Board of Education;
- (4) Establishing a more pragmatic framework for the delinking of certain rights, powers, functions, and duties from various state agencies to the Department of Education to reduce bureaucracy;
- (5) Clarifying that the school community councils possess shared decision-making powers by providing the councils with responsibility over the school weighted student funding budget to ensure student achievement;
- (6) Establishing that rules adopted to implement school community councils shall be exempt from the public notice and public hearing requirements of chapter 91, Hawaii Revised Statutes;
- (7) Clarifying the composition and functions of the school community councils, and the principal's paramount executive authority in the event of any failure to reach consensus;
- (8) Establishing a Principals Complex Forum, which shall be composed of all principals in a school complex and facilitated by the high school principal;
- (9) Repealing the statutory educational objectives of the school/community-based management system;
- (10) Repealing the provision allowing a waiver of policy, rule, or procedures for school community councils;
- (11) Restricting the national board certification bonus of \$5,000 per year to public school teachers and providing a one-time reimbursement of not more than \$2,500 to successful public school teacher applicants for national board certification for costs related to their application; and
- (12) Adding a provision regarding school complex-based decision making stating that, beginning with the 2006-2007 school year, all decisions relating to contracts for professional services and health and human services shall be made jointly and by majority vote of the principals in a school complex.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3238, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Menor).

SCRep. 2074 (Joint) Commerce Consumer Protection and Housing and Science, Arts, and Technology on S.B. No. 2382

The purpose of this measure is to discourage the sale and facilitate the recovery of stolen property by requiring pawnbrokers and secondhand dealers to post photographs of and information regarding their merchandise on a website developed and maintained under the auspices of the county police departments. This measure also appropriates funds to the counties to develop and implement a website for the above purpose.

Testimony in support of the measure was received from Simple Technology, Inc. and an individual. The Honolulu Police Department and the Hawaii Pawnbrokers Association testified in opposition to the measure.

Supporters of this measure testified that requiring pawnshops and secondhand stores to post on a website photographs of and information regarding items received would discourage the use of these establishments to sell stolen property and would facilitate the identification of stolen items by the public. Opponents of the measure raised concerns relating to personal and financial privacy, the burden imposed on small business owners, and the inadequacy of the proposed appropriation.

Several states have adopted similar programs which are currently under review by the Honolulu Police Department. While your Committees acknowledge the concerns raised by law enforcement and industry members regarding the website requirement, your Committees find that the proposed procedures may help to prevent or reduce property crime.

In order to encourage further examination and discussion of the above issues, your Committees have amended this measure by inserting therein a delayed effective date of July 1, 2030. Your Committees also made technical amendments for purposes of style and to correctly reflect the language in the Hawaii Revised Statutes.

Finally, your Committees respectfully request that the Committee on Ways and Means, in its deliberations on this measure, explore sources of funding, in addition to general revenues, to fund the development and implementation of the proposed website.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2382, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2382, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Aduja, English).

SCRep. 2075 Health on S.B. No. 2088

The purpose of this measure is to delete the term “terminal condition” as the sole circumstance when “comfort care only-do not resuscitate” protocols may be initiated by in-the-field emergency response personnel.

Testimony in support of this measure was received from the Department of Health, Compassion in Dying in Hawaii, a member of the Hawaii County Council, and from a Maui County paramedic.

Your Committee finds that it is important to respect and protect individual end of life decisions and this measure clarifies that it is the individual’s decision, and not a physician directive, that determines whether an individual should be resuscitated should his or her heart stop beating or he or she stop breathing.

Your Committee has amended the bill by making technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2088, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2088, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2076 Health on S.B. No. 2399

The purpose of this measure is to appropriate funds for an ambulance crew and operating expenses to operate a donated ambulance in the Hawaiian Ocean View Estates community.

Testimony in support of this measure was received from the Department of Health, the Office of Community Services under the Department of Labor and Industrial Relations, the Mayor of the County of Hawaii, a member of the Hawaii County Council, Hawaii County Fire Department, Ocean View Volunteer Fire Department, Ocean View Community Association, Inc., American Medical Response, a paramedic, and several individuals.

Your Committee finds that the residents of Ocean View Estates in the Kau district on the island of Hawaii are geographically isolated, thus tremendously underserved with regard to adequate basic life-saving emergency ambulance services. The need has been a long-standing concern, and the residents were resourceful in securing for themselves an ambulance from the Carrus Foundation in New York.

Your Committee further finds that additional funding to support a crew and operating expenses would benefit many communities in Hawaii and alleviate a gap in the EMS system.

Your Committee has amended this measure to reflect an adequate funding level, and to provide that funding shall also cover operating expenses such as supplies, equipment, and vehicle maintenance.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2399, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2077 Health on S.B. No. 2473

The purpose of this measure is to appropriate funds to cover operating costs at Molokai General Hospital.

Testimony in support of this measure was received from the Office of Hawaiian Affairs and Molokai General Hospital.

Your Committee finds that Molokai General Hospital is the only hospital on Molokai. Its funding from Queen's Health Systems has been severely cut, and it is imperative that services be maintained. The residents of Molokai live on a remote island with limited airline flights and a high unemployment rate. It is crucial that they have on-island medical services.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2473 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2078 Health on S.B. No. 2578

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for construction improvements and expansion for the Rehabilitation Hospital of the Pacific.

Testimony in support of this measure was received from the Rehabilitation Hospital of the Pacific.

Your Committee finds that this hospital is the only rehabilitation hospital in Hawaii. It needs to expand its outpatient clinic, inpatient beds, construct a new parking garage, and upgrade physicians' and administrative spaces. Your Committee also finds that these improvements are primarily in response to changes in Medicare policy.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2578 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2079 Health on S.B. No. 2585

The purpose of this measure is to create a loan repayment assistance program for dentists serving underserved populations.

Testimony in support of this measure was received from the Hawaii Dental Association and Hawaii Primary Care Association.

Your Committee finds that there is a severe shortage of dentists in Hawaii who serve remote rural areas and communities where poverty, language, and cultural barriers exist. Your Committee further finds that this subsidy would be a boon to underserved communities and their recruitment and retention efforts of qualified dental professionals.

Your Committee has made non-substantive, technical amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2585, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 2080 Health on S.B. No. 2592

The purpose of this measure is to make an appropriation for sexual assault services to the Department of Health (DOH).

Testimony in support of this measure was received from the Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney of the City and County of Honolulu, Planned Parenthood of Hawaii, the Sex Abuse Treatment Center, Child and Family Service, the YWCA Kauai, the YWCA Hawaii, the Hawaii Coalition Against Sexual Assault, and one individual. Testimony in opposition of this measure was received from the DOH.

Your Committee finds that providing and maintaining access to comprehensive services is the most effective community response to sexual assault. The funding request of \$787,900 will help sustain emergency medical care, 24-hour coverage for crisis intervention and outreach services, therapy services, comprehensive sexual assault awareness and prevention and education programs, and coordinated planning for standardized, sexual assault services statewide.

Your Committee further finds that without this funding for sexual assault services, service providers statewide cannot continue to provide the comprehensive, confidential, and standardized sexual assault services that are essential to our communities.

Your Committee finds that a significant portion of domestic violence is sexual assault. Therefore, your Committee has amended this measure to reflect that fifty per cent of the appropriation amount is to come from the domestic violence prevention special fund. Your Committee also requests that the Senate Committee on Ways and Means raise the budget ceiling this year for this purpose.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2592, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2592, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 2081 Health on S.B. No. 2604

The purpose of this measure is to appropriate funds for emergency medical services at the Waianae Coast Comprehensive Health Center (WCCHC).

Testimony in support of this measure was received from the Department of Health, the Waianae Coast Comprehensive Health Center, AlohaCare, and the Hawaii Primary Care Association.

Your Committee finds that the Waianae Coast is a community of almost 40,000 residents, but there is only one ambulance servicing the region. WCCHC's emergency room is the only one in the community equipped to handle a serious trauma victim. Furthermore, without funding, the Health Center will have to consider options such as eliminating overnight emergency, lab, and radiology services. WCCHC is crucial to the Waianae Coast community.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2604 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2082 Health on S.B. No. 2721

The purpose of this measure is to appropriate funds as grants-in-aid for emergency medical services in the Waianae-Nanakuli, Kahaluu-Kaaawa, and urban Honolulu areas.

Testimony in support of this measure was received from the Department of Health, the City and County of Honolulu, the United Public Worker (UPW), the State of Hawaii Organization of Police Officers (SHOPO), and American Medical Response.

Your Committee finds that there is an urgent need to expand emergency medical services on Oahu to meet the nationally recognized guidelines of an eight-minute advanced life support response time to medical emergencies. The remote areas of Waianae-Nanakuli and Kahaluu-Kaaawa, as well as parts of urban Honolulu, lack sufficient emergency medical services in proportion to their population growth and high rates of emergencies.

Your Committee has amended this measure to provide an adequate appropriation, as well as make technical, non-substantive amendments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2721, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2721, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2083 Health on S.B. No. 2792

The purpose of this measure is to authorize the issuance of general obligation bonds to fund phase II of Molokai General Hospital's renovation project.

Testimony in support of this measure was received from five members of Maui County Council, Molokai General Hospital, and a resident of Molokai.

Your Committee finds that Molokai General Hospital is the only hospital on Molokai and serves 8,000 residents and visitors through 24-hour emergency care, an urgent care clinic, acute medical and pediatric inpatient care, prevention education, and many other important functions. Your Committee finds that this funding will help bring the hospital up to current building safety codes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2792 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2084 Health on S.B. No. 2889

The purpose of this measure is to delay the repeal of Act 132, Session Laws of Hawaii 2001, and allow the Insurance Division to continue the legislative mandate of protecting Hawaii's consumers from insolvent insurers.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs.

Your Committee finds that Act 132 has enabled the department to protect the interests of consumers by closing down an insolvent dental insurance plan that failed to pay claims, and by pursuing claims against the principal agents of that plan to recover assets on behalf of the policy holders and providers. The department needs a one-year extension of the Act to complete its existing liquidation proceedings.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2889 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 2085 (Joint) Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs on S.B. No. 2746

The purpose of this measure is to clarify the law on sentencing for the offense of habitually operating a vehicle under the influence of an intoxicant (section 291E-61.5, Hawaii Revised Statutes).

Testimony in support of this measure was received from the Judiciary, Department of Transportation, Honolulu Prosecuting Attorney, Honolulu Police Department, and one individual.

This measure would:

- (1) Require the offender to be referred to a driver's education program for an assessment of substance abuse or dependency;
- (2) Require the court to refer the offender to obtain appropriate treatment, depending on the recommendation of the counselor pursuant to the assessment;
- (3) Prohibits reinstatement of a license revoked under this law until the expiration of the revocation period set by the court; and
- (4) Allow the court to order a person sentenced under section 291E-61.5, HRS, to reimburse the county for the costs of blood or urine tests.

This measure makes the penalties under section 291E-61.5, HRS, consistent with that of the offense of operating a vehicle while under the influence of an intoxicant under section 291E-61, HRS. It is the intent of this measure to provide help to the offender to avoid another driving incident and possible catastrophic motor vehicle accident because the offender did not get counseling to address the problem.

Your Committees have amended this measure to change the effective date to January 1, 2005, on recommendation of the Judiciary to allow them to have lead time to make internal administrative adjustments to accommodate this Act.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2746, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2746, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

SCRep. 2086 (Joint) Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs on S.B. No. 2995

The purpose of this measure is to improve commercial motor vehicle safety by adopting the congressionally mandated changes of the Motor Carrier Safety Improvement Act of 1999.

Testimony in support of this measure was received from Department of Transportation, Department of Customer Services of the City and County of Honolulu, and Honolulu Police Department.

The revisions adopted by the U.S. Congress, as contained in this measure, are designed to enhance the safety of commercial vehicle operations on our nation's highways by ensuring that only safe drivers can drive commercial motor vehicles. The primary benefit is expected to be a reduction in the number of truck-related crashes because of stricter enforcement of driver disqualification requirements. According to the department's justification sheet, more commercial vehicle drivers are expected to be suspended or disqualified for violations of new disqualifying offenses and serious traffic violations.

Your Committees have amended this measure on the recommendation of the Judiciary to:

- (1) Clarify language relating to the providing of proof to the court of having a commercial driver's license;
- (2) Clarify language relating to the ten day requirement of making information available to specified users of that information, to add "to the greatest extent possible"; and
- (3) Make technical, nonsubstantive amendments in formatting.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2995, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2995, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

SCRep. 2087 (Joint) Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs on S.B. No. 3186

The purpose of this measure is to require certain state procurement contracts to be reviewed and approved by the Attorney General to ensure expenditure safeguard provisions are included, and to provide for a theft offense for the unauthorized expenditure of public moneys by persons entrusted with expenditure of those moneys.

Testimony in support of this measure was received from one individual.

This measure is intended to prevent and punish incidences of misspending of public moneys by persons who are in charge of expending those moneys. The intent is to guard against contractors who are awarded a state or municipal contract and proceed to squander the funds in unauthorized expenditures. Your Committee finds that these incidences are all too commonplace. Current law is lacking in adequate safeguards and criminal penalties. This measure fills that void.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3186 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

SCRep. 2088 (Joint) Commerce Consumer Protection and Housing and Judiciary and Hawaiian Affairs on S.B. No. 2314

The purpose of this measure is to authorize and appropriate funds for the establishment of a sexual assault nurse examiner pilot project to provide forensic examinations for sexual assault victims in the State.

Three individuals testified in support of the measure. The State Attorney General, Prosecuting Attorney for the City and County of Honolulu, Prosecuting Attorney for the County of Hawaii, and Sex Abuse Treatment Center, while supporting the measure's intent, opposed its passage in its current form.

Your Committees find that while rates for other crimes decreased or leveled off during the 1990s, crime rates for sexual assaults increased, thereby increasing the need for sexual assault response teams comprised of sexual assault workers, forensic examiners, and law enforcement to provide timely and sensitive medical and legal support services to victims. Since the mid-1990s, specially trained nurse examiners have provided forensic examination services to sexual assault victims in Hawaii County under the Sexual Assault Nurse Examiner (SANE) Program. Kauai County also utilizes nurse examiners, while Maui County and the City and County of Honolulu have physician-based medical legal programs.

This measure establishes a statewide SANE pilot project within the Attorney General's office, mandates the appointment of a volunteer coordinator for the program, and appropriates funds to Hawaii, Kauai, and Maui counties for implementation of a SANE program. Your Committees find that this measure raises serious concerns, including the appropriateness of placing the program within the Attorney General's Office, the establishment of a statewide program without consideration for individual county needs, the ability to recruit a qualified individual to fill a coordinator position that offers no compensation, and the lack of details regarding the purpose of the requested funds, in view of the fact that forensic examinations are funded by the counties.

Despite the above concerns, your Committees find that SANE services provide timely and sensitive assistance to sexual assault victims, help to increase sexual assault reporting, facilitate the successful prosecution of these crimes, and warrant legislative support. Therefore, your Committees have amended this measure:

- (1) To appropriate an unspecified amount to Hawaii County for a SANE program coordinator, in lieu of establishing a statewide SANE pilot project within the Attorney General's Office and forensic examination requirements, requiring the appointment of a volunteer coordinator and setting forth the coordinator's duties, and appropriating \$240,000 to Hawaii, Kauai, and Maui counties;
- (2) By amending the measure's findings and purpose section to conform to the above amendment; and
- (3) To reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2314, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2314, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 5 (English, Ige, Ihara, Sakamoto, Whalen).

SCRep. 2089 Transportation, Military Affairs, and Government Operations on S.B. No. 2176

The purpose of this measure is to clarify that a moped operator or rider under age eighteen is required to wear a safety helmet, and to raise the age to under eighteen for required use of a bicycle helmet.

Testimony in support of this measure was received from the Department of Transportation, Honolulu Police Department, State Farm Mutual Automobile Insurance Company, ThinkFirst, The Queen's Medical Center, Keiki Injury Prevention Coalition, Healthcare Association of Hawaii, Hawaii Medical Service Association, Brain Injury Association of Hawaii, and two individuals.

Nearly half of the severe injuries resulting from bicycle crashes nationwide are diagnosed as traumatic brain injury. Older children are more likely to suffer a traumatic brain injury, likely from decreased helmet usage. Bicycle safety helmets reduce the risk of head injury by as much as eighty-five per cent and the risk of brain injury by as much as eighty-eight per cent. Seventy-five per cent of the bicycle-related fatalities among children could have been prevented by a bicycle safety helmet.

Your Committee finds that there is grief to the loved ones of an accident victim when the inevitable thought of whether a safety helmet would have saved their loved one enters their minds. The use of a safety helmet very well could have saved that life, as statistics show that more likely than not, safety helmets save lives. Mandating the wearing of safety helmets when riding or operating these vehicles is a relatively small sacrifice of personal liberty to help prevent tragedies to families and our community.

Your Committee concurs with the testimony of the Department of Transportation that "studies have shown that helmet use will reduce the risk of head injuries and brain injuries and will cut down the high medical costs associated with those injuries."

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2176 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

SCRep. 2090 Transportation, Military Affairs, and Government Operations on S.B. No. 2917

The purpose of this measure is to provide an income tax exemption for members of the reserve components of the United States military, including the Hawaii national guard, during the period of deployment overseas in a combat zone.

Testimony in support of this measure was received by the Department of Taxation and State Department of Defense. Comments were received from the Tax Foundation of Hawaii.

Your Committee recognizes that Hawaii's citizen soldiers and airmen of the reserve components and the Hawaii national guard are placed in harm's way while deployed overseas supporting our nation's war on terrorism. These men and women usually earn less at their military pay while deployed than they do at their civilian jobs. This measure eases their financial burden while being deployed.

Your Committee has amended this measure by applying the tax provision to taxable years beginning after December 31, 2002, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2917, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2917, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

SCRep. 2091 Transportation, Military Affairs, and Government Operations on S.B. No. 3213

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation for the maintenance of West Hawaii Veterans Cemetery in Hawaii.

Testimony in support of this measure was received from the Advisory Board on Veterans Services, Office of Veterans Services, one Hawaii County Council Member, Kona Young Farmers, and Lions Club of Kona.

This measure is intended to provide West Hawaii veterans with a functional and appealing veterans cemetery. The appropriation is in addition to the \$22,500 provided by the State to operate two veterans cemeteries on the Big Island. However, the cost of the needed maintenance and repair work was underestimated.

Your Committee has amended this measure by making an unspecified appropriation.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3213, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

SCRep. 2092 Judiciary and Hawaiian Affairs on S.B. No. 2136

The purpose of this measure is to establish statewide public safety training academies for police, fire, and other public safety departments.

Testimony in support of this measure was submitted by the Fire Chief for the County of Hawaii Fire Department; the Chair of the Hawaii County Council; and a council member for the Hawaii County Council. Testimony in support of the intent of this measure was also submitted by the Director of Public Safety; the Chair of the State Fire Council, Department of Labor and Industrial Relations; and the Fire Chief of the County of Maui Department of Fire and Public Safety.

Your Committee finds that there is a need to establish statewide public safety training academies. Currently, firefighters, police officers, and other public safety first responders are training in different counties and programs in Hawaii. As a result, counties do not optimize their training abilities. However, the proposed statewide academies would coordinate instruction and training to ensure quality public safety employees across the State.

Your Committee has amended the bill to:

- (1) Allow for the department of public safety to establish multiple statewide public safety training academies;
- (2) Require the Director of Public Safety to adopt rules for establishing application fees and other rules that are consistent with the law;
- (3) Require the State of Hawaii to maintain the statewide police and other public safety training academies;
- (4) Delete redundant language;
- (5) Add a requirement that candidates admitted to the statewide police and public safety training academy shall be at least twenty-one years old; and
- (6) Delete the reference requiring the Legislature to make annual appropriations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2136, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2093 Judiciary and Hawaiian Affairs on S.B. No. 2445

The purpose of this measure is to authorize general obligation bonds for the planning, land selection and acquisition, designing, constructing, and equipping of a substance abuse facility.

Testimony in support of this measure was submitted by the Department of Public Safety and the Department of Prosecuting Attorney, City and County of Honolulu. Comments regarding this measure was also received by the Drug Policy Action Group and Community Alliance on Prisoners.

It has been estimated that up to ninety percent of the State's inmates have a history of substance abuse. This figure is particularly significant given that studies have revealed a correlation between substance abuse and crime.

Your Committee believes that given this strong correlation between drug use and crime, prevention and early treatment of drug users appears to be the most effective way of lowering crime rates and rehabilitating addicted persons to become healthy and productive.

Your Committee adopted the recommendation of the Department of Public Safety by amending section 2 of the bill by specifying that the appropriation provide:

“for the planning, land selection and acquisition, designing, constructing and equipping of a substance abuse facility of sufficient size and functionality to meet the needs of the projected inmate populations it would serve at the time of its activation.”

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2445, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2094 Judiciary and Hawaiian Affairs on S.B. No. 2976

The purpose of this measure is to appropriate moneys for the Department of Public Safety to transport and house inmates at the federal detention center or mainland facilities.

Testimony in support of this measure was submitted by the Department of Public Safety and Department of the Prosecuting Attorney, City and County of Honolulu. Testimony in opposition of this measure was submitted by Community Alliance on Prisons and Drug Policy Action Group.

Your Committee believes that the overcrowding of prisons is a big problem in Hawaii’s criminal justice system. The lack of prison space has impacted justice in our communities, through emergency release laws and a call to reduce sentences for various offenses. Thus, prompt action is necessary, and finding additional bed space is imperative. This bill will resolve the issue, at least temporarily, by appropriating funds for the transfer of prisoners to other facilities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2976 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2095 Judiciary and Hawaiian Affairs on S.B. No. 3084

The purpose of this measure is to appropriate funds for the expansion of the KASHBOX substance abuse treatment program at the Waiawa correctional facility and the establishment of offender transitional services centers.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney, City and County of Honolulu; Community Alliance on Prisons; and Drug Policy Action Group. Testimony in opposition to this measure was submitted by the Department of Public Safety and the Hawaii Paroling Authority.

It has been estimated that up to ninety percent of the State’s inmates have a history of substance abuse. This figure is particularly significant given that studies have revealed a correlation between substance abuse and crime.

Your Committee believes that treatment of incarcerated drug users in programs like KASHBOX (knowledge, attitude, skills, habits, behavior, opinion, and the unknown “x” factor) appears to be effective. KASHBOX attempts to change a drug-using inmate’s lifestyle by eliminating anti-social activity, enhancing the person’s employability, and encouraging pro-social values and attitudes.

Your Committee has amended this measure by making a technical, non-substantive change.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3084, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3084, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2096 (Majority) Tourism on S.B. No. 2395

The purpose of this measure is to exempt the Hawaii Convention Center from the freedom of information law, upon request by a potential licensee, if compliance would result in the non-execution of a license agreement.

Testimony in support of this measure was received from the Hawaii Tourism Authority (HTA) and Department of Business, Economic Development and Tourism. Testimony in opposition was received from the Society of Professional Journalists. Comments were received from the Office of Information Practices (OIP).

This measure is intended to facilitate the booking of business at the Hawaii Convention Center. This measure addresses the situation wherein a potential licensee requests the pre-booking and booking information, including the license agreement, to be kept confidential. A licensee may want to do this for a variety of reasons, including maintaining privacy of planned corporate activities and of corporate publicity. Some companies include a nondisclosure provision in their license agreements as a standard procedure. Testimony indicated that a potential licensee may decide to book at another convention center if the booking information cannot be kept confidential.

The HTA and the OIP met after the hearing on this measure to work out mutually agreeable language. After discussions with the HTA, the OIP found that their positions on the substantive issues were irreconcilable. Thus, your Committee has amended this measure on the recommendation of the HTA, with the full understanding of such by the OIP, by:

- (1) Placing the new section in chapter 201B, Hawaii Revised Statutes, relating to the HTA, as the more appropriate chapter on recommendation of the OIP;
- (2) Clarifying the circumstances under which the disclosure of booking business records is required, and defining business booking records; and
- (3) Allowing disclosure to the legislature.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2395, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2395, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Sakamoto, Taniguchi).

SCRep. 2097 Water, Land, and Agriculture on S.B. No. 2089

The purpose of this measure is to authorize the issuance of general obligation bonds for a temporary pump-out station and electrical repairs at Ma'ala'e a Small Boat Harbor.

Testimony in support of this measure was received from the Mayor of Maui County, the Vice Chair of the Maui County Council, the Hawaii Government Employees Association, the Ocean Tourism Coalition, South Maui Coalition of Community Associations, and Paradise Cruise, Ltd. Testimony in opposition to this measure was received from the Board of Land and Natural Resources.

Your Committee finds that the State's small boat harbors are a valuable economic resource; however, substantial improvements are required if these facilities are to remain viable. The dumping of raw sewage into Maui's coastal waters is unacceptable. Your Committee further finds that the boats of Maui County provide over \$1.6 million of revenue to the Division of Boating and Ocean Recreation, which represents eighty-two percent of total revenues collected statewide.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2089 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Inouye, Whalen).

SCRep. 2098 (Majority) Water, Land, and Agriculture on S.B. No. 2125

The purpose of this measure is to impose a sliding scale for taxing transfers or conveyances of real property interests. Specifically, the measure imposes rates of ten cents per \$100 for the first \$385,000 of consideration; twenty cents per \$100 for any consideration over \$385,000 and up to \$1,000,000; and thirty cent per \$100 for any consideration over \$1,000,000.

Testimony in support of the measure was submitted by KAHEA: The Hawaiian-Environmental Alliance; Conservation Council for Hawaii; The Nature Conservancy; Coordinating Group on Alien Pest Species; Sierra Club, Hawaii Chapter; and the Hawaii Audubon Society. Testimony in opposition to the measure was submitted by Director of Taxation, Chairperson of the Board of Land and Natural Resources, Land Use Research Foundation of Hawaii, and Hawaii Association of Realtors. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that Hawaii's conveyance tax is among the lowest in the nation, and that the relatively modest increase will benefit the State.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2125 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Whalen). Excused, 1 (English).

SCRep. 2099 Water, Land, and Agriculture on S.B. No. 2130

The purpose of this measure is to appropriate \$100,000 for the continued operation and maintenance of the east Kauai irrigation system for fiscal year 2004-2005.

The Office of Economic Development, Kauai County; Department of Water, Kauai County; a member of the Kauai County Council; East Kauai Water Users' Cooperative; Hawaii Agriculture Research Center; Hawaii Farm Bureau; Kauai County Farm Bureau; Smith's Motor Boat Service, Inc.; Agro Resources, Inc.; and Saiva Siddhanta Church submitted testimony in support of the measure. Agribusiness Development Corporation submitted testimony supporting the intent of the measure.

Your Committee finds that reliable irrigation water is critical for the survival of agricultural crops in the Kapa'a area. The East Kauai Water Users' Cooperative has done an excellent job of operating and maintaining the state-owned system, but is faced with a funding shortfall.

Your Committee heard some testifiers' belief that the funds appropriated under this measure could be diverted to other budgetary priorities if the intended recipients were not specifically identified. To allay that concern, your Committee has amended the measure by including language that specifically earmarks the appropriated funds for use by the East Kauai Water Users' Cooperative to operate and maintain the east Kauai irrigation system.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2130, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2100 (Majority) Water, Land, and Agriculture on S.B. No. 2220

The purpose of this measure is to increase allocations from conveyance tax proceeds to the rental housing trust fund and the natural area reserve fund.

The Hawaii Audubon Society; The Nature Conservancy; KAHEA: The Hawaiian-Environmental Alliance; Conservation Council for Hawai'i; Coordinating Group on Alien Pest Species; and Catholic Charities Hawai'i submitted testimony in support of the measure. The Director of Taxation, Director of Budget and Finance, and Hawaii Association of Realtors submitted testimony in opposition to the measure. The Chairperson of the Board of Land and Natural Resources, the Housing and Community Development Corporation of Hawaii, and Tax Foundation of Hawaii submitted comments on the measure.

Your Committee heard the concerns of the Director of Taxation regarding the diversion of all revenues from conveyance taxes from the general fund to the rental housing trust fund and the natural area reserve fund, and agreed that a portion of the revenues should continue to be paid into the general fund.

Your Committee amended the measure by changing the percentage of conveyance tax revenues to be paid into the rental housing trust fund and the natural area reserve fund from fifty to thirty-five per cent for each fund.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2220, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2220, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Whalen). Excused, 1 (English).

SCRep. 2101 Water, Land, and Agriculture on S.B. No. 2249

The purpose of this measure is to appropriate funds for a grant-in-aid to the Hawaii Farm Bureau Federation for agricultural research and market development.

Testimony in favor of the measure was submitted by the Board of Agriculture, University of Hawaii, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaiian Commercial and Sugar Company, Maui Cattlemen's Association, East Kauai Water Users' Cooperative, Gay & Robinson, Kauai Coffee, Agro Resources, Inc., Hawaii Agriculture Research Center, Pineapple Growers Association of Hawaii, and Hawai'i Forest Industry Association.

Your Committee finds that agricultural research is the foundation for Hawaii's agricultural industry to remain competitive in the global market. However, state funding has dramatically declined from \$6 million in the early 1990s to the current \$1 million funding. Furthermore, agricultural marketing is also critical to the competitiveness of Hawaii in the world market. At one time, Hawaii held a sizable share of the market for pineapple, macadamia nut, and anthuriums. However, other regions with similar climatic conditions have taken away a large portion of these markets. It is necessary to provide adequate funding to ensure Hawaii's success in the agricultural industry.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2249 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2102 Water, Land, and Agriculture on S.B. No. 2280

The purpose of this measure is to appropriate funds for a local flood warning system for Lake Wilson.

Fifty-two individuals submitted testimony in support of this measure. Testimony in support of the intent of this measure was also received from the Board of Land and Natural Resources.

Your Committee finds that floods have always been a problem in the communities neighboring Lake Wilson, and a flood warning system that could help save lives is long overdue. Your Committee further finds that the U.S. Geological Survey Service, in collaboration with various local agencies, will install a flood warning system at Lake Wilson and also assume half of the costs.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2280 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Inouye, Whalen).

SCRep. 2103 Water, Land, and Agriculture on S.B. No. 2414

The purpose of this measure is to finance an agricultural water use and development plan using general obligation bonds.

The Department of Agriculture, Hawaii Agriculture Research Center, Hawaii Farm Bureau, Maui County Farm Bureau, Maui Cattlemen's Association, and Pineapple Growers Association of Hawaii submitted testimony in support of the measure.

Your Committee finds that completion of the State Agricultural Water Use and Development Plan is crucial for determining the priorities for water use in the State. Your Committee agrees that the funds provided by this measure are necessary to obtain federal matching funds to complete the study.

Your Committee has amended this measure by adding a lapsing provision for general obligation bonds to comply with the technical requirements for issuing general obligation bonds under state law.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2414, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2104 Water, Land, and Agriculture on S.B. No. 2416

The purpose of this measure is to authorize the issuance of \$6,000,000 in general obligation bonds for an agricultural dual line water system to supply untreated water for irrigation purposes to farmers as a less costly means of irrigating Upcountry Kula farms.

The Chairperson of the Board of Agriculture, the Mayor of Maui County, five members of the Maui County Council, Hawaii Agriculture Research Center, Hawaii Farm Bureau, Pineapple Growers Association of Hawaii, Maui County Farm Bureau, Maui Cattlemen's Association, Waiakoa Estates Property Owners Association, Kula Community Association, the Department of Hawaiian Home Lands, and four concerned citizens submitted testimony in support of the measure.

Your Committee finds this measure is necessary to alleviate the economic burden to farmers in upcountry Kula by creating a dual line water system that can supply less costly untreated water for irrigation purposes. Your Committee believes that this measure promotes the State's priorities by supporting and ensuring a future for agriculture in Hawaii.

Your Committee has amended this measure by correcting the lapsing date for the general obligation bonds authorized to be issued under the measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2416, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2105 Water, Land, and Agriculture on S.B. No. 2438

The purpose of this measure is to appropriate funds to the department of agriculture for the department's aquaculture development program to tag and monitor sharks along the Leeward coast from Kalaeloa to Kaena Point.

An individual presented testimony in support of the measure. The Chairperson of the Board of Agriculture submitted comments on the measure.

Your Committee heard concerns that the area covered by the existing language of the measure was not extensive enough to include the targeted area in Ewa Beach where a significant amount of aquaculture is being conducted.

Accordingly, your Committee amended this measure by expanding the area covered by the program to include Ewa Beach.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2438, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2106 Water, Land, and Agriculture on S.B. No. 2440

The purpose of this measure is to clarify the definition of “family” for purposes of homestead leases to include biological, adopted, and hanai first cousins.

Testimony in opposition was received from the Department of Land and Natural Resources. Comments were received from the Hawaiian Political Action Council of Hawaii.

This measure recognizes the extended family nature of Hawaiian culture and relationships. Your Committee believes that current law should be amended to accommodate these practices.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2440 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2107 Water, Land, and Agriculture on S.B. No. 2441

The purpose of this measure is to require the Department of Land and Natural Resources (DLNR) to enter into land exchange negotiations with private landowners of agricultural lands in the Waialua area in order to obtain title to the lands currently used for agricultural purposes.

This measure further establishes the Waialua agricultural region subcommittee to serve in an advisory capacity to the Board of Directors of the Agribusiness Development Corporation on matters relating to the management of agricultural lands.

Testimony in opposition to this measure was received from the Department of Land and Natural Resources (DLNR), Castle & Cooke Homes Hawaii, Inc., Kamehameha Schools, and one individual. Comments were received from the Department of the Attorney General, Agribusiness Development Corporation, and Life of the Land.

The intent of this measure is to establish a process to ensure that certain lands in the Waialua area on the island of Oahu:

- (1) Remain available for agricultural use;
- (2) Are properly managed so as to ensure continued economic viability while used for agriculture; and
- (3) Are managed in a manner that is sensitive to and consistent with the needs of farmers in the Waialua area.

Your Committee views this measure as protecting, preserving, and enhancing sustainable agriculture, particularly after the downsizing of the sugar and pineapple industries in Waialua on Oahu.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2441 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2108 Water, Land, and Agriculture on S.B. No. 2467

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation for Manele small boat harbor.

Testimony in support of this measure was received from the Ocean Tourism Coalition and Paradise Cruise, Ltd. Testimony in opposition was received from the Department of Land and Natural Resources.

Manele small boat harbor is the major port of entry to Lana`i for residents and visitors alike. Your Committee finds that the current condition of this harbor has become a tremendous strain on, and danger to, the community. The roads are rocky, rutted, and muddy during rains, and there is no lighting in the area. These conditions have caused damage to vehicles, and the lack of infrastructure creates potentially serious safety issues.

Your Committee further finds that this appropriation will allow needed improvements to the Manele small boat harbor to ensure that Hawaii's harbor facilities are able to support ocean recreation and other marine activities.

Your Committee has amended this measure by changing the lapsing date to June 30, 2006 to comply with lapsing requirements.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2467, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Inouye, Whalen).

SCRep. 2109 Water, Land, and Agriculture on S.B. No. 2468

The purpose of this measure is to amend an existing capital improvement budgetary appropriation to provide for the design, equipment, and construction of improvements for the Molokai irrigation system.

Testimony in support of this measure was received from the Department of Agriculture, Department of Hawaiian Home Lands, the Mayor of Maui county, Molokai Ranch, Kumu Farms, Hawaii Farm Bureau Federation, the Molokai Irrigation Advisory Board, and five individuals.

Your Committee finds that the Molokai irrigation system needs immediate capital improvements to efficiently manage current water sources. The existing description of this project, in the General Appropriations Act of 2003, focuses on long-term water source development and does not address the immediate need to improve the Molokai irrigation system. While long-term planning is important to address future water needs, immediate improvements are necessary to sustain and maximize the existing water sources within the Molokai irrigation system.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2468 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Inouye, Whalen).

SCRep. 2110 Water, Land, and Agriculture on S.B. No. 2472

The purpose of this measure is to authorize the Department of Agriculture (department) to charge user fees for inspection, permitting, and other services provided by the department.

Testimony in support of the measure was submitted by the Board of Agriculture and the Hawaii Audubon Society. The Nature Conservancy submitted testimony commenting on the measure.

Your Committee finds that the department has the authority to inspect all incoming ship containers, air cargo, vessels, baggage, and packages if there is cause to believe that they contain invasive species, plants, animals, or microorganisms. These alien species pose a tremendous threat to the diminishing populations of native, endemic, and endangered organisms in Hawaii. Prevention and screening programs are currently inadequate and the department is struggling to accomplish their mission of cargo and passenger inspections. This measure will assist in alleviating some of the financial burdens.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2472 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2111 Water, Land, and Agriculture on S.B. No. 2516

The purpose of this measure is to authorize the issuance of general obligation bonds and appropriate funds for acquiring land in Kahuku, on the island of Oahu, to expand the Kahuku agricultural park.

Testimony in support of this measure was submitted by Aquatic Innovations, the Estate of James Campbell, Hawaii Aquaculture Association, Hawaii Farm Bureau, Koolauloa Agriculture Coalition and Hawaiian Marine Enterprises. Comments regarding this measure were also submitted by the U.S. Army Corps of Engineers, Department of the Army, and the State Board of Agriculture.

Your Committee amended the appropriation lapse date from June 30, 2007 to June 30, 2006, to comply with technical requirements.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2516, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2516, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2112 Water, Land, and Agriculture on S.B. No. 2521

The purpose of this measure is to appropriate \$50,000 for a feasibility study to make improvements to Heeia Kea beach park.

The Chairperson of the Board of Land and Natural Resources submitted testimony in opposition to the measure.

Your Committee believes that the Heeia Kea boat harbor, which is a part of the Heeia Kea beach park, is particularly in need of improvements. Accordingly, your Committee amended this measure by replacing Heeia Kea beach park with Heeia Kea boat harbor.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2521, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2113 Judiciary and Hawaiian Affairs on Jud. Com. No. 1

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE FIRST CIRCUIT

WILLIAM A. CARDWELL;

Your Committee received testimony in support of the nominee from the Hawaii State Bar Association (HSBA), State Attorney General, thirteen attorneys, and five individuals.

The Board of Directors of the HSBA has found the nominee to be highly qualified to serve as a judge for the District Court of the First Circuit. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate is asked to submit a resume, respond to a questionnaire, and to appear before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

The nominee received a B.S. degree from the University of Utah and a J.D. degree from Boalt Hall, University of California, Berkeley and has been licensed to practice in Hawaii state courts and the U.S. District Court in Hawaii since 1976, and the U.S. Court of Appeals for the Ninth Circuit since 1978. He practiced in commercial litigation for approximately twenty-six years with extensive experience in banking, foreclosure, construction, and oil company litigation. Further, the nominee is currently a per diem District Court judge for the First Circuit. He was also a law clerk for Chief Judge Samuel P. King, U.S. District Court, District of Hawaii. The nominee is also a member of the Hawaii Appellate Conference Program and Per Diem Judges' Committee, an arbitrator for the Hawaii Court Annexed Arbitration Program, and the chair for the HSBA Fee Dispute Committee.

Your Committee notes that the nominee is currently serving in a per diem capacity in the position to which he is being nominated. Thus, your Committee believes that this previous experience will assist and facilitate the nominee's transition to a permanent position as a District Court judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Ihara, Hogue).

SCRep. 2114 Judiciary and Hawaiian Affairs on Jud. Com. No. 2

Recommending that the Senate consent to the nomination of the following:

DISTRICT FAMILY COURT OF THE FIRST CIRCUIT

CHRISTINE E. KURIYAMA;

Your Committee received testimony in support of the nominee from the Hawaii State Bar Association (HSBA), ten attorneys, and sixty-two private individuals.

The Board of Directors of the HSBA has found the nominee to be qualified to serve as a judge in the District Family Court in the First Circuit. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate is asked to submit a resume, respond to a questionnaire, and to appear before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

The nominee received a B.A. from the University of Hawaii and a J.D. from Hastings College of Law, and has been licensed to practice in Hawaii since 1979. The nominee has been in private practice since 1986 with extensive experience in litigation and appellate work. She is currently a per diem Family Court judge for the First Circuit.

Your Committee finds that the nominee's experience in the Family Court of the First Circuit will serve her well in her permanent position on the bench and facilitate an expedient transition.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Ihara, Hogue).

SCRep. 2115 Water, Land, and Agriculture on S.B. No. 2536

The purpose of this measure is to establish a tax deduction for a taxpayer for expenditures to maintain on the taxpayer's real property exceptional trees as designated by the county.

Testimony in support of this measure was received from Malama o Manoa, Kona Outdoor Circle, The Outdoor Circle, Hawaii Audubon Society, Na Leo Pohai, North Shore Outdoor Circle, and two individuals. Testimony in opposition was received from the Department of Taxation. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that this measure supports and enhances chapter 58, Hawaii Revised Statutes, relating to exceptional trees. This law requires each county to establish a county arborist advisory committee to protect, preserve, and perpetuate exceptional trees. This measure provides property owners with a tax incentive to maintain any tree on their property that has been designated as an exceptional tree.

Your Committee has amended this measure to add missing statutory language.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2536, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2536, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2116 Water, Land, and Agriculture on S.B. No. 2537

The purpose of this measure is to provide a grant-in-aid to the Ala Wai Watershed Association to continue maintenance and clean-up projects.

Waikiki Improvement Association and the Ala Wai Watershed Association, Inc. submitted testimony in support of the measure. The Chairperson of the Board of Land and Natural Resources submitted comments. Four concerned citizens submitted testimony commenting on the Ala Wai Watershed Association, Inc.

Your Committee has amended this measure by adding appropriation language and making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2537, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2537, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2117 Water, Land, and Agriculture on S.B. No. 2617

The purpose of this measure is to appropriate funds for a grant-in-aid to the city and county of Honolulu for clean up of Kapalama Canal.

Senator Chun Oakland submitted testimony in support of the measure.

Your Committee agrees with the intent of this measure, and finds that the Kalihi-Palama community has worked on a master plan to improve the Kapalama Canal for a number of years.

Your Committee deleted the dollar amount and left it blank for determination by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2617, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2617, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2118 Water, Land, and Agriculture on S.B. No. 2622

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation for Keehi boat harbor improvements.

Testimony in support of this measure was received from Paradise Cruise, Ltd. Testimony in opposition was received from the Department of Land and Natural Resources (DLNR).

The DLNR stated in testimony that the Keehi boat harbor is much in need of repairs and maintenance, as is the case with other small boat harbors statewide. Your Committee finds that Keehi small boat harbor has four rows of berths that are untenable and thus, have reduced the revenue that should be generated from the harbor. Your Committee further finds that this return to revenue status will recoup the cost of the bonds over time.

Your Committee has amended this measure by changing the lapsing date to June 30, 2006 to keep within the three-year bond lapse period beginning with the fiscal biennium of 2003.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2622, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2622, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Inouye, Whalen).

SCRep. 2119 Water, Land, and Agriculture on S.B. No. 2645

The purpose of this measure is to require the Board of Land and Natural Resources (DLNR) to consider certain public lands to be designated and developed as industrial parks and to ensure that lease rents in state industrial parks are reasonable and equitable.

Testimony in opposition to this measure was received from DLNR.

Your Committee finds that the vacancy rate for industrial zoned land, particularly on Oahu, is at an all-time low rate, as low as two per cent. The lack of sufficient and suitable industrial space will negatively affect the State's economy. More industrial space, whether in fee simple or leasehold, must be developed in an expedited manner. However, in the case of leasehold properties measures should be provided to ensure that lessees are not subjected to unreasonably or inequitably high lease rents.

The DLNR's objection is that this measure is unnecessary. However, your Committee is exercising its legislative prerogative to oversee the execution of legislative mandates. Act 361, Session Laws of Hawaii 1988, added a new part to chapter 171, Hawaii Revised Statutes, permitting the development of state industrial parks on public lands, including procedures to expedite the development of the state industrial parks without compliance with county planning, zoning, building, improvement, construction, and subdivision standards.

Your Committee has amended this measure to correct a spelling error.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2645, S.D. 1, and be referred to the Committee on Economic Development.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2120 Water, Land, and Agriculture on S.B. No. 2693

The purpose of this measure is to require the Department of Land and Natural Resources (DLNR) to provide for certain flood mitigation measures.

Testimony in support of this measure was received from forty-six individuals. Testimony in opposition was received from the DLNR.

This measure requires the DLNR, in relation to the Haleiwa and Waialua area on Oahu, to:

- (1) Conduct a community-based information campaign regarding upcoming federal project activities and sponsorship options;
- (2) Identify flood concerns, damages, and opportunities; and
- (3) Gather information, data, and area maps for research and analysis.

This measure further requires the DLNR to sponsor one university graduate assistantship and to report to the Legislature before the 2005 legislative session. An unspecified appropriation is made to the DLNR for purposes of this measure.

Your Committee finds that it is in the public's interest to develop sustainable flood project sponsorships. Often flooding results from, or is intensified by, changes in the vegetative cover and infiltration rates of soils on properties above and adjacent to watercourses. Public and private entities bear responsibility for operating and maintaining lands adjacent to, within, and under floodways. Federal funding is available to address flood needs; however, local and state sponsorship of flood projects is limited due to their recurrent operational and maintenance costs and health, safety, and legal liabilities. Landlords and lessees often do not have a clear understanding of the need for to maintain their portions of regional drainage systems when an agency or group agrees to sponsor a regional watershed project.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2693 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2121 Water, Land, and Agriculture on S.B. No. 2820

The purpose of this measure is to:

- (1) Clarify the law on the transferred encumbrances of non-agricultural park lands by the Department of Land and Natural Resources; and
- (2) Remove the requirement that transfer of non-agricultural park lands be adjacent to one another if the transfer includes more than one parcel.

Testimony in support of this measure was received from the Department of Agriculture (DOA).

Your Committee finds that this clarifying language is necessary for the purpose of consistency, and that the restriction on geographical adjacency severely limits the availability of transferable lands and renders the non-agricultural parks program inoperable, and its repeal will further the goals of the department.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2820 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2122 Transportation, Military Affairs, and Government Operations on S.B. No. 2004

The purpose of this measure is to make an appropriation for the care and maintenance of veterans cemeteries in the County of Maui.

Testimony in support of this measure was received from the Office of Veterans Services, Advisory Board on Veterans Services, and Mayor of the County of Maui.

This measure appropriates \$80,000 out of the general revenues of the State of Hawaii to provide for the care and maintenance of veterans cemeteries located in the County of Maui.

Your Committee finds that veterans cemeteries serve the purpose of honoring those who have admirably served our country in the armed forces of the United States, and that the lack of care and maintenance of the veterans cemeteries diminishes the intended tribute and respect to these individuals.

Your Committee further finds that the cost of care and maintenance of the veterans cemeteries in the County of Maui has dramatically increased over the past twenty years, requiring an increase in state assistance.

Your Committee has amended this measure by making an unspecified appropriation, in deference to the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2004, as amended herein,

and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2004, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

SCRep. 2123 Transportation, Military Affairs, and Government Operations on S.B. No. 2124

The purpose of this measure is to require the owner of a former commercial or industrial structure to make a reasonable effort to repair any damage under certain circumstances, and makes procedural requirements upon the counties.

Testimony in support of this measure was received from the Kauai Office of Economic Development and Hawaii Tourism Authority. Testimony in opposition was received from Kamehameha Schools.

This measure applies to a building or other facility that is larger than five thousand square feet, has not been used for commercial or industrial purposes for at least two years, or has been damaged by natural disaster so as to pose a public health, safety, or welfare danger. This measure also imposes penalties to be paid to the counties.

Your Committee finds that large commercial or industrial buildings and facilities that are dilapidated or exhibit severe structural damage pose unsightly and potentially dangerous hazards to the public.

Your Committee further finds that requiring property owners to effectively and responsibly repair their property within a reasonable time contributes to the economic strength of communities, particularly those that rely heavily on tourism.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2124, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

SCRep. 2124 (Joint/Majority) Transportation, Military Affairs, and Government Operations and Tourism on S.B. No. 2404

The purpose of this measure is to make an appropriation for expenses of the 2005 National Association of Counties meeting in Honolulu.

Testimony in support of this measure was received from the Honolulu City Council, one Kauai Council Member, seven Maui Council Members, Hawaii State Association of Counties, and National Association of Counties. Testimony in opposition was received from the Department of Business, Economic Development and Tourism.

The City and County of Honolulu is hosting the 2005 National Association of Counties Annual Conference and Exposition from July 15, 2005, to July 19, 2005, at the Hawaii Convention Center. This measure is intended to assist Honolulu with expenses. Your Committees find that the economic benefits derived from the conference in terms of general excise tax revenues and tourism exposure would be realized by the entire State. Your Committees further find that the counties will also reap economic benefits in terms of increased realizations from the transient accommodations tax.

The testimony indicated that the City and County of Honolulu is in the process of preparing a detailed budget for the event. It is also seeking contributions from the Neighbor Islands. The figure posited in this measure represents an estimate. Your Committees request the Honolulu City Council to submit a detailed budget to the Committee on Ways and Means, including the amount of contribution to be made by each county.

Your Committees have amended this measure to provide for an appropriation of \$532,000 in matching funds.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2404, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2404, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 1 (Slom). Excused, 4 (Aduja, Baker, Sakamoto, Whalen).

SCRep. 2125 Transportation, Military Affairs, and Government Operations on S.B. No. 2430

The purpose of this measure is to authorize the police to take statutorily specified action if the officer has reasonable grounds to believe that physical abuse or harm has been or is about to occur.

Testimony in support of this measure was received from the Honolulu Prosecuting Attorney, Maui Prosecuting Attorney, Hawaii County Prosecuting Attorney, Hawaii State Coalition Against Domestic Violence, Domestic Violence Clearinghouse and Legal Hotline, and Turning Point for Families. Testimony in opposition was received from the Office of the Public Defender.

Your Committee finds that this measure is intended to address the common situation in the offense of abuse of family or household members in which the victim refuses to talk to police on the scene for fear of further abuse or beatings by the perpetrator. Without a statement from the victim, the police cannot take action under current law which requires reasonable grounds to believe that the offense occurred. This measure amends that requirement by allowing the officer to act if the officer has reasonable grounds to believe that harm is about to be inflicted by the perpetrator.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2430 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Whalen).

SCRep. 2126 Transportation, Military Affairs, and Government Operations on S.B. No. 2506

The purpose of this measure is to create a new offense of unauthorized entry into a motor vehicle in the second degree.

Testimony in support of this measure was received from the Honolulu Police Department, Maui Prosecuting Attorney, and Maui Police Department.

Current law provides for the offense of unauthorized entry into a motor vehicle, which is a class C felony, which is changed under this measure to a first degree offense. This measure adds a second degree offense as a misdemeanor. The second degree offense makes it a crime to enter the vehicle unlawfully, and does not require that the person have the intent to commit a crime against a person or property rights.

This measure is intended to ease the burden of proof upon prosecutors who now have to prove that the offender entered or remained unlawfully in the vehicle with an intent to commit a crime. Currently, merely finding someone in a vehicle is difficult to prosecute. This measure removes that impediment to prosecution.

Your Committee has amended this measure by making a technical, nonsubstantive amendment in the format.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2506, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2506, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Whalen).

SCRep. 2127 Transportation, Military Affairs, and Government Operations on S.B. No. 2599

The purpose of this measure is to clarify the offense of negligent homicide in the second degree if the person causes the death of another person by the operation of a vehicle at a speed thirty miles or more per hour greater than the maximum speed limit.

Testimony in support of this measure was received from the Department of Transportation and Honolulu Prosecuting Attorney. Testimony in opposition was received from the Honolulu Police Department and Office of the Public Defender.

This measure is intended to deter excessive speeding that commonly results in death. What constitutes excessive speeding may be a matter of opinion, but your Committee finds that thirty miles above the posted speed limit is excessive per se. An example is a driver going seventy miles per hour in a forty mile per hour speed limit zone. If the speed limit is fifteen miles per hour, driving at a speed of forty-five miles per hour is excessive for that zone. Each speed zone is different and is designed by traffic engineers to be appropriately safe for that stretch of road or highway. Driving at no more than the posted speed limit is deemed a safe speed. Driving beyond that speed limit is progressively more dangerous with the rise in speed. There should be little room for personal judgment of the driver who believes that going forty-five is still safe in a fifteen mile per hour zone. The proof is in the resulting fatality.

Your Committee has amended this measure to clarify that driving less than thirty miles over the speed limit still constitutes an offense if the vehicle is being operated in a negligent manner.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2599, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Whalen).

SCRep. 2128 Transportation, Military Affairs, and Government Operations on S.B. No. 3032

The purpose of this measure is to authorize the issuance of general obligation bonds and to make an appropriation for a municipal parking structure at Wailuku, Maui.

Testimony in support of this measure was received from the Mayor of the County of Maui, five Maui Council Members, and Wailuku Main Street Association, Inc.

Your Committee finds that, after extensive research conducted by the County of Maui and other community organizations, the town of Wailuku lacks adequate parking. This lack of parking has had an adverse effect on local retail establishments and has caused the misuse of public streets in residential neighborhoods. This measure provides for the design and construction of a municipal parking structure in downtown Wailuku to remedy the parking shortage, alleviate the congestion in residential neighborhoods, and revitalize local commerce.

Your Committee further finds that making an appropriation for a municipal parking structure will supplement Maui County's effort to revitalize the Wailuku area and recharge the local community, consistent with the Wailuku Redevelopment Plan. The Wailuku Redevelopment Plan seeks to foster, promote, maintain, and encourage the civic, social, cultural, economic, and environmental welfare of the Wailuku community and other small towns in Maui County.

Your Committee has amended this measure by making an unspecified appropriation in deference to the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3032, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3032, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

SCRep. 2129 (Joint/Majority) Tourism and Transportation, Military Affairs, and Government Operations on S.B. No. 3043

The purpose of this measure is to authorize the county police departments to establish an Aloha Aina Patrol in their county.

This measure applies to counties having a population in excess of 500,000. The general purpose of the patrol is to provide security and assistance to tourists. The intended targeted area is Waikiki and other parts of Oahu.

Testimony in support was received from Ko Olina Resort and Marina. Comments were received from the Honolulu Police Department, Hawai'i Hotel and Lodging Association, the Waikiki Improvement Association, and the Tax Foundation of Hawaii. Testimony in opposition was received from the Department of Business, Economic Development and Tourism.

This measure proposes an innovative three-year pilot program that will address the crime problem and spread the message of the aloha spirit at the same time. The program would create additional security patrols geared toward parks and beaches where there have been too many incidents of crime against visitors and residents.

Your Committees find that the intent of this measure is to assure visitors to Hawaii, as well as local residents, that they will be safe from crimes against persons or property at the State's more popular and highly visited parks and beaches. The Hawaii Tourism Authority, in conjunction with county police departments, will determine the specific areas to be patrolled.

The unit is being called 'Aloha Aina Patrol,' and will not only provide additional security, but also serve as ambassadors of aloha. These patrols will consist of police cadets and police service officers. The plan is to have Aloha Aina Patrol officers in aloha attire versus police uniforms, thus emphasizing the aloha spirit.

Your Committees find that tourism is a vital part of the economy for the State of Hawaii, and the Aloha Aina Patrol will contribute greatly to the vitality of the visitor industry as it emphasizes the uniquely warm and friendly spirit of our island home.

Funds from the transient accommodations tax trust fund would be used to pay for the program, which would run from July 1, 2004 to June 30, 2007.

As affirmed by the records of votes of the members of your Committees on Tourism and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3043 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 1 (Slom). Excused, 4 (Aduja, Baker, Sakamoto, Whalen).

SCRep. 2130 Transportation, Military Affairs, and Government Operations on S.B. No. 3050

The purpose of this measure is to require the court to waive the parking citation fine if the lessor of the rental car provides the court with the name and address of the lessee of the cited vehicle within sixty days of the notice sent to the lessor.

Testimony in support of this measure was received from CATRALA, Cendant Car Rental Group, Dollar Thrifty Automotive Group, Inc., Alamo Rent A Car, and National Car Rental. Comments were received from the Judiciary.

Testimony on this measure indicates that the problem to be addressed occurs when the driver of a rental car receives a parking citation, turns the car back to the rental company, and then the company receives the citation as the registered owner and must pay the \$5 statutory citation. Meanwhile the driver is gone, and avoids the fine. This measure would absolve the company of liability to pay the fine if the company furnishes the court with the name and address of the rental car driver.

Your Committee notes the testimony of CATRALA that it will work with the Judiciary to iron out the problems and assist in the technical operations of administering this measure. It is on this basis that your Committee passes out this measure.

Your Committee has amended this measure to provide for an effective date of January 1, 2005, at the request of the Judiciary.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3050, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

SCRep. 2131 Transportation, Military Affairs, and Government Operations on S.B. No. 3061

The purpose of this measure is to remove the prohibition on paying commissions to employees of a vehicle rental company based upon selling fuel options for fuel charges to renters.

Testimony in support of this measure was received from Catrala-Hawaii, JN Truck & Car Rental, Alamo Rent A Car, and National Car Rental. Comments were received from the Department of Commerce and Consumer Affairs.

Testimony on this measure indicated that the fuel purchase option has not been a problem in Hawaii. Therefore, your Committee believes that removing the prohibition against commissions is fair and reasonable.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3061 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Whalen).

SCRep. 2132 (Joint/Majority) Transportation, Military Affairs, and Government Operations and Tourism on S.B. No. 3080

The purpose of this measure is to provide negotiation relief to certain airport concessions.

Testimony in support of this measure was received from the Airport Concessionaires Committee and Greeters of Hawaii. Testimony in opposition was received from the Department of Transportation (DOT), Attorney General, and Airlines Committee of Hawaii.

Your Committees find that the terrorist attacks of September 11, 2001 had a profound impact on air travel in the United States. The subsequent events of the Iraq War and severe acute respiratory syndrome further reduced air travel to Hawaii and other major airports in the United States. The intent of this measure is to provide further relief to previously qualified concessionaires who received relief following the events of September 11, 2001 but who have not yet negotiated further relief with the State. While most concessions since the ending of the regular session of 2003 have negotiated relief with the State, some have not been able to complete negotiations due to the fact that these concessions may have been permanently damaged by the new federal security requirements imposed after September 11, 2001 and because the State may need added authority to provide necessary relief to those concessions.

Testimony indicated that there is only one concession remaining that has not been granted relief. That concession has been operating for at least forty years. All sides agree that an agreement could probably be reached in the near future. The problem seems to be the obsolete wording of that concessionaire's contract, the effect of which has required DOT to make a great effort to accommodate that vendor within the contract language and administrative rules. However, negotiations are proceeding in good faith. Nonetheless, your Committees pass this measure to keep it alive in deference to that single vendor who symbolizes fairness for all airport vendors.

Your Committees have amended this measure, on the recommendation of the Airport Concessionaires Committee, by:

- (1) Clarifying the purpose section to include past efforts of the airport vendors to seek rent relief; and
- (2) Adding session law provisions to govern the negotiations between the qualifying remaining vendors and the State.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3080, as

amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3080, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 1 (Slom). Excused, 4 (Aduja, Baker, Sakamoto, Whalen).

SCRep. 2133 Transportation, Military Affairs, and Government Operations on S.B. No. 3214

The purpose of this measure is to authorize the issuance of general obligation bonds and to make an appropriation for a homeless shelter in West Hawaii in West Hawaii.

Testimony in support of this measure was received from the Mayor of the County of Hawaii and Hawaii Office of Housing and Community Development.

Your Committee finds that there are a substantial number of homeless persons in West Hawaii and no designated shelter to provide services for the homeless. This measure provides for the design and construction of a homeless shelter in West Hawaii to address the growing needs of the community.

This measure assists the efforts of the County of Hawaii to provide temporary housing for those homeless persons in need.

Your Committee has amended this measure by making an unspecified appropriation in deference to the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3214, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3214, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

SCRep. 2134 Human Services on S.B. No. 2630

The purpose of this measure is to require the Department of Human Services to establish a protocol to identify and locate extended family members as placement resources for children who are placed in foster care.

The Department of Human Services, Hawaii Foster Parent Association, and Blueprint for Change all submitted testimony in favor of the measure.

Your Committee finds that the Department of Human Services should search for qualified, willing relatives to be considered as placement resources for children in need of foster homes. Currently, extended family members and other persons suggested by the family or child are solicited as potential foster parents. Passing this measure is consistent with the policies of the department and will ensure its commitment to placing foster children with family members who meet the requirements of a foster parent.

The Child's Service Plan is an agreement between the department and a parent specifying the duties and responsibilities of the parent but does not include prospective foster parents. Accordingly, an amendment was made to replace the Child's Service Plan with the Safe Family Home Report in the protocols that will address the appropriateness of the child's placement.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2630, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

SCRep. 2135 (Joint) Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology on S.B. No. 2043

The purpose of this measure is to make an appropriation to the Aviation Museum of the Pacific.

Testimony in support of this measure was received from the state Department of Defense, Department of Business, Economic Development and Tourism, Hawaii Tourism Authority, Historic Hawaii Foundation, Military Aviation Museum of the Pacific, Association of Naval Aviation Pearl Harbor Squadron, NAS BP Museum/Hawaii Museum of Flying, Air Force Civilian Advisory Council, Chamber of Commerce of Hawaii, Bank of Hawaii, Kaimana Aviation, National Trust for Historic Preservation, Pacific Fleet Submarine Memorial Association, and five individuals.

This appropriation is to be used for the restoration and exhibits for a new air museum to be built at Ford Island. The \$1,000,000 appropriation is to be matched by \$3,000,000 by the museum. According to testimony, while the USS Arizona, USS Bowfin, and USS Missouri provide important historical statements, the lack of a similar tangible illustration of the aviation story is a glaring omission. Your Committees find that the goal is to have a museum that utilizes airplanes to capture the context and experiences of history within dramatic venues, to immerse the visitor in historic moments long past. The museum plans on the use of dramatic exhibits, dioramas,

and displays. The museum is in honor of the valor and sacrifice made by American aviators, their ground support crews, and so many others who played important roles.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2043 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Kanno, Hemmings, Whalen).

SCRep. 2136 (Joint) Labor and Water, Land, and Agriculture on S.B. No. 2002

The purpose of this measure is to provide conservation and resources enforcement with the same retirement benefits as police officers and firefighters, including the ability to:

- (1) Retire without penalty after accruing twenty-five years of credited service, regardless of age upon retirement; and
- (2) Earn two and one-half per cent retirement allowance upon retirement.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Hawaii Government Employees Association, and eight individuals.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance and an individual.

The Employees' Retirement System submitted comments on the measure.

Your Committees find that conservation and resources enforcement officers are officers commissioned with full police powers, yet under the current law they are not eligible to retire after twenty-five years of service without penalty, regardless of age upon retirement. Your Committees also determine that conservation and resources enforcement officers perform hazardous, stressful, and physically demanding duties, and are constantly exposed to similar threats and dangers encountered by other law enforcement officers. Therefore, parity in the amount of benefits received should exist among individuals who perform these duties.

As affirmed by the records of votes of the members of your Committees on Labor and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2002 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

SCRep. 2137 (Majority) Labor on S.B. No. 2033

The purpose of this measure is to require contractors on public works construction contracts to comply with United States Department of Labor specifications for staffing requirements.

Testimony in support of this measure was submitted by the Hawaii Laborers' Union, Local 368 and the Hawaii Operating Engineers Industry Stabilization Fund.

Testimony in opposition to the measure was submitted by the Department of Accounting and General Services and Associated Builders and Contractors, Inc.

Your Committee finds that prevailing standards for contractors on public works construction contracts should be applied and enforced in an equitable manner. Your Committee further finds that although standards exist concerning the employment of assistants, helpers, tenders, and apprentices, the Department of Labor and Industrial Relations currently does not enforce the utilization of these workers. Your Committee determines that mandating the use of assistants, helpers, tenders, and apprentices will establish clear guidelines, which will in turn facilitate enforcement and foster equity and consistency in the governance of public works projects.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the reference to the United States Department of Labor staffing requirements;
- (2) Replacing it with a reference to the Department of Labor and Industrial Relations staffing requirements; and
- (3) Making a technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2033, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2033, S.D. 1, and be referred to the Committee on Transportation, Military Affairs, and Government Operations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Sakamoto, Taniguchi).

SCRep. 2138 (Majority) Labor on S.B. No. 2145

The purpose of this measure is to provide for the adjustment of the state minimum wage beginning on January 1, 2005, to provide for cost-of-living adjustments.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association, the Hawaii State AFL-CIO, and the ILWU Local 142.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, the Society for Human Resource Management, the Retail Merchants of Hawaii, the Hawaii Restaurant Association, the National Federation of Independent Business, Hawaii, and an individual.

Your Committee finds that the cost-of-living in Hawaii is higher than that of much of the nation. Additionally, over time, inflation has continually eroded a worker's purchasing power. Therefore, your Committee determines that action must be taken to ensure that the minimum wage amount remains current. Although the minimum wage amount was recently increased in 2002, no previous adjustment had been made since nine years prior in 1993. Your Committee further determines that in order to attempt to keep current the minimum wage amount, an automatic annual adjustment is necessary to accurately reflect the current cost-of-living in Hawaii, as well as prevent the necessity for large increases when no adjustment has been made for several years.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the reference linking the annual adjustment of the minimum wage amount to the federal cost-of-living adjustment percentage;
- (2) Including a reference linking the annual adjustment of the minimum wage amount to the annual average percentage change in the Honolulu consumer price index;
- (3) Prohibiting the minimum wage amount to decrease in the event of a negative annual average percentage change and instead requiring the minimum wage amount to remain at the same rate as the preceding year; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2145, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Sakamoto, Taniguchi).

SCRep. 2139 Labor on S.B. No. 2550

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 5, teachers and other personnel of the department of education under the same pay schedule, including part-time employees working less than one-half of a full-time equivalent.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for teachers and other personnel of the department of education under the same pay schedule, including part-time employees working less than one-half of a full-time equivalent who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and the Hawaii State Teachers Association.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 5 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2550 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2140 Labor on S.B. No. 2553

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 10, institutional, health, and correctional workers.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for institutional, health, and correctional workers who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining, the Judiciary, and the United Public Workers, AFSCME, Local 646, ALF-CIO.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, and salary increases and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 10 will eventually produce a settlement.

Accordingly, your Committee has amended the measure as follows:

- (1) By changing the program identification code reference from administrative director services (JUD 201) to administration (JUD 601); and
- (2) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2553, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2141 Labor on S.B. No. 2554

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 11, firefighters.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for firefighters who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and the Hawaii Firefighters Association.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 11 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2554 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2142 Labor on S.B. No. 2878

The purpose of this measure is to apply the federal tax limit on compensation that may be taken into consideration in determining pension benefits under the Employees' Retirement System's (ERS) tax-qualified retirement plan.

This measure also:

- (1) Establishes a non-tax-qualified pension benefit plan to allow ERS members who accrued benefits from July 1, 1996 to June 30, 2004 to retain those benefits; and
- (2) Appropriates \$357,350 to pay the non-tax-qualified benefits for affected ERS members.

Testimony in support of this measure was submitted by the Department of Budget and Finance and the Employees' Retirement System.

Your Committee finds that the ERS is intended to be a tax-qualified retirement plan under section 401(a) of the Internal Revenue Code. Your Committee further finds that pursuant to section 401(a)(17) of the IRC of 1986, as amended, the annual compensation that may be taken into account in determining benefit accruals under the ERS is limited. However, under Hawaii law, no provision is in place to address such salary limits with respect to the ERS on July 1, 1996. Additionally, Article XVI, Section 2, of the Constitution of the State of Hawaii prohibits either the diminishment or impairment of an ERS member's accrued benefit. Therefore, your Committee determines that in order to accomplish retroactive compliance with section 401(a)(17) of the IRC of 1986, as amended, accrued benefits must be provided under a non-tax-qualified plan for the affected members, with the necessary funds being appropriated to such non-tax-qualified plan for the payment of the accrued benefits.

Accordingly, your Committee has amended the measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2878, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

SCRep. 2143 Labor on S.B. No. 2879

The purpose of this measure is to amend the law relating to the Employees' Retirement System (ERS) to conform to the requirements of section 401(a) of the Internal Revenue Code (IRC) of 1986, as amended, by:

- (1) Incorporating the necessary required provisions for pension plans of state and local governments;
- (2) Authorizing the ERS Board of Trustees to adopt any remaining required rules;
- (3) Granting ERS Board of Trustees expedited rulemaking authority for the limited purpose of adopting rules to comply with the requirements of section 401(a) of the IRC of 1986, as amended;
- (4) Including a definition of the term "compensation"; and
- (5) Amending the definition of "actuarial equivalent" to allow the computation of the benefit to be based upon actuarial tables and other written assumptions approved by the board of trustees.

Testimony in support of this measure was submitted by the ERS.

Your Committee finds that certain provisions are required to be included in the pension plans of state and local governments, pursuant to section 401(a) of the IRC of 1986, as amended. However, some of these required provisions are not provided for under the current statutory law or pursuant to the rules adopted by the ERS Board of Trustees. Your Committee determines that in order to ensure that the tax-qualified status of the ERS is not further placed in jeopardy, the law must be amended to remain in compliance with the IRC.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2879, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

SCRep. 2144 Labor on S.B. No. 2921

The purpose of this measure is to make an emergency appropriation of \$7,417,636 to fund collective bargaining increases, which became effective in January 2003, for Department of Education employees.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that a four and three per cent wage increase was negotiated for bargaining unit (1), effective January 1, 2003, and bargaining unit (5), effective January 21, 2003, respectively. Your Committee further finds that there was an omission from the governor's fiscal biennium 2003-2005 budget proposal of the necessary funding for these increases. Therefore, your Committee determines that an emergency appropriation is necessary to correct this error to ensure that for fiscal year 2003-2004 adequate funds are available to compensate the employees of bargaining units (1) and (5) accordingly.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2921 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

SCRep. 2145 Labor on S.B. No. 2941

The purpose of this measure is to make an emergency appropriation of \$3,055,896 for fiscal year 2003-2004 for the state workers' compensation program.

Testimony in support of this measure was submitted by the Department of Human Resources Development.

Your Committee finds that insufficient funding exists to fund the payment of claims against the State under the workers' compensation program. Your Committee further finds that although \$4,993,726 was appropriated to the Department of Human Resources Development, pursuant to Act 200, Session Laws of Hawaii 2003, to fund the payment of workers' compensation claims against the State, this appropriation was inadequate due to numerous factors, including increases in the cost of medical care, the maximum weekly compensation rate, and the cost-of-living allowance for claimants receiving permanent total disability benefits. Therefore, your Committee determines that an emergency appropriation is necessary to ensure that the State maintains its ability to fulfill its obligations under the Workers' Compensation Law.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2941 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

SCRep. 2146 (Joint) Labor and Judiciary and Hawaiian Affairs on S.B. No. 2980

The purpose of this measure is to allow corrections officers to retire with at least twenty-five years of credited service, regardless of age upon retirement.

Testimony in support of this measure was submitted by the Department of Public Safety, the United Public Workers/AFSCME, Local 646, AFL-CIO, and two individuals.

Comments on the measure were submitted by the Employees' Retirement System.

Your Committees find that currently corrections officers are not eligible to retire after twenty-five years of credited service, irrespective of their age upon retirement. However, your Committees further find that other law enforcement and safety officers who perform similar functions or face comparable job-related stress or hazards are provided with a lower standard for retirement eligibility, as was most recently provided to emergency medical technicians. Your Committees determine that every possible effort should be made to equitably compensate, retain, and recruit qualified individuals to serve as corrections officers within the State. Accordingly, these efforts should include an increase of benefits, such as a reduction in the number of years required for retirement eligibility.

As affirmed by the records of votes of the members of your Committees on Labor and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2980 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

SCRep. 2147 Labor on S.B. No. 3018

The purpose of this measure is to allow a police officer who suffers from a service-related disability and continues public service in any position other than as a police officer to receive a retirement allowance equal to two and one-half per cent of the member's average final compensation for each year of credited service as a police officer.

Testimony in support of this measure was submitted by the Department of Human Resources for the City and County of Honolulu, the Honolulu Police Department, the Department of Civil Service for the County of Hawaii, the Hawaii Fire Fighters Association, and the State of Hawaii Organization of Police Officers.

Comments on this measure were submitted by the Department of Budget and Finance and the Employees' Retirement System.

Your Committee finds that Act 205, Session Laws of Hawaii 2002, extended to a firefighter with at least ten years of credited service as a firefighter who continues employment in public service, other than as a firefighter, after suffering a service-related disability the benefit of receiving as a retirement allowance, two and one-half per cent of the member's average final compensation. Your Committee further finds that like firefighters, police officers perform functions vital to the protection of our communities while facing dangerous and stressful situations on a daily basis. Those police officers who fall victim to a service-related disability should be recognized for their previous years of dedicated service and should be duly compensated for such dedication upon retirement, should they remain in public service and be eligible to receive retirement benefits.

Your Committee has amended the measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3018, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

SCRep. 2148 (Majority) Labor on S.B. No. 3019

The purpose of this measure is to provide a tax credit for health care benefits to members of bargaining unit (12).

Testimony in support of this measure was submitted by the Honolulu Police Department and the State of Hawaii Organization of Police Officers.

Testimony in opposition to this measure was submitted by the Department of Taxation.

Your Committee finds that a shortage of police officers and viable candidates for becoming police officers exists within the State and that efforts must be made to equitably compensate, retain, and recruit qualified individuals to fill these positions. However, your Committee further finds that during these difficult financial times, innovative methods for attracting and retaining qualified candidates must be explored. Your Committee determines that with the escalating costs of health insurance, alternatives for controlling or offsetting those costs provide an attractive incentive for our dedicated police officers.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3019 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

SCRep. 2149 Health on S.B. No. 53

The purpose of this measure is to appropriate funds for ambulance service in the Kihei/Wailea region of Maui.

Testimony in support of this measure was received from six members of the County Council of Maui, the American Medical Response, the South Maui Coalition of Community Associations, Wailea Community Association, Kula Community Association, the Maui Emergency Medical Services Advisory Committee, and an emergency medical technician.

The Department of Health submitted testimony in support of the intent of this measure, but opposed funding.

Your Committee finds that the Kihei/Wailea region of Maui is the fastest growing community in the State, but is served by only one twenty-four hour, locally based advanced life support ambulance service. The addition of another twenty-four hour advanced life support ambulance service would reduce the extra twenty to thirty minutes response time, which would mean the difference between life and death for residents and tourists in the area.

This measure is amended to update the appropriation year to 2004-2005.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 53, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 53, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2150 (Joint/Majority) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on S.B. No. 2097

The purpose of this measure is to place a cap of three per cent of gross revenues for moored vessels used commercially after January 1, 2004 for a use permit at small boar harbors, and to allow the deposit of all fees and penalties imposed by the Department of Land and Natural Resources into the boating special fund.

Testimony in support of this measure was received from the Ocean Tourism Coalition, Sailing Shipp's Ltd dba Gemini Charters, Fair Wind, Lahaina Divers Inc., Seaport Cruises, Inc., and one individual. Testimony in opposition was received from the Department of Land and Natural Resources, Hawaii Boaters Political Action Committee, and eleven individuals.

Your Committees find that this measure would serve to augment commercial ocean tour operations by enhancing the funding of improvements to deteriorating small boat facilities. Opposing testimony were predominantly from boat live-aboards who are not affected by this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2097 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Aduja). Excused, 3 (English, Kanno, Menor).

SCRep. 2151 Health on S.B. No. 2098

The purpose of this measure is to authorize general obligation bonds for the design and construction of the Kulamalu Long-Term Care Facility in Kula, Maui.

Testimony in support of this measure was received from five members of the Maui County Council, Hawaii Health Systems Corporation, the Kula Community Association, and the Maui Economic Opportunity, Inc.

Your Committee finds that Maui County is currently facing a tremendous shortage of cost-effective options for seniors who require long-term care. Your Committee also finds that the construction of 110 long-term care beds will help seniors who are currently wait-listed at the Maui Memorial Medical Center to relocate to a facility where they can receive the appropriate level of care.

Your Committee has amended this measure to reflect the appropriate number of beds to be constructed from one hundred two to one hundred ten.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2098, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2098, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2152 (Joint/Majority) Health and Human Services on S.B. No. 2152

The purpose of this measure is to exempt the Hawaii tobacco settlement special fund from the assessment of central services and administrative expenses.

Testimony received in support of this measure was received from the American Heart Association and the Coalition for a Tobacco Free Hawaii. Comments were received from the Department of Health.

Your Committees find that restoring the Hawaii Tobacco Settlement Special Fund's exemption from administrative fees would save the fund moneys that would be used on tobacco prevention and health issues.

Your Committees amended this measure to reflect the appropriate version of the Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2152, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2152, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Trimble). Excused, 3 (Hooser, Ige, Inouye).

SCRep. 2153 Health on S.B. No. 2328

The purpose of this measure is to appropriate funds for dental services at Kauai Community Health Center.

Testimony in support of this measure was received from AlohaCare, Hawaii Primary Care Association, and Ho'ola Lahui Hawai'i. Testimony was received from the Department of Health supporting the intent of this measure only.

Your Committee finds that the need for dental care on Kauai is great, as almost twenty-five percent of the island residents are not covered by any dental insurance. The lack of basic routine preventative dental care can lead to very complicated and severe dental concerns. Funding for dental services is critical, especially for special populations such as the developmentally disabled who have needs that have long been unmet.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2328 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2154 Health on S.B. No. 2582

The purpose of this measure is to appropriate funds for the donated dental services for the elderly, disabled, or medically compromised.

Testimony in support of this measure was received from the Hawaii State Council on Development Disabilities, the National Foundation of Dentistry for the Handicapped, Hawaii Dental Association, Goodwill Industries of Hawaii, a dentist, and five dental patients of the program.

Your Committee finds that the program provides free comprehensive dental treatment to a very needy population that would not otherwise have access to extensive dental treatment. Your Committee further finds that the requested appropriation is a very small investment with far-reaching effects and positive outcomes. It will generate over \$110,000 worth of donated dental services for sixty-eight people.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2582 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 2155 (Joint) Health and Judiciary and Hawaiian Affairs on S.B. No. 2979

The purpose of this measure is to transfer functions and authority of uniformed security employees and security contracts for the Hawaii Health Systems Corporation (HHSC) from the Department of Public Safety to HHSC.

Testimony in support of this measure was received from the Department of Public Safety, the Hawaii Health Systems Corporation, and the Hawaii Government Employees Association.

Your Committees find that the transfer of this security force to HHSC will facilitate more efficient supervision, management, and control of these security personnel for all their administrative and operational requirements. Your Committees further find that this transfer does not in any way impact on the existing ability or authority of HHSC to use private contractor security forces at other hospitals within their system.

Your Committees have amended this measure to reflect that the Department of Public Safety is the transferor, and not HHSC.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2979, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2979, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (English, Tsutsui).

SCRep. 2156 Health on S.B. No. 3156

The purpose of this measure is to appropriate funds for professional development and training for Hawaii's paramedics.

Testimony in support of this measure was received from the University of Hawaii-Kapiolani Community College, United Public Workers (UPW), American Medical Response, and a paramedic.

Testimony was received from the Department of Health in support of the intent of this measure only.

Your Committee finds that, currently, emergency medical technicians on Maui and Kauai must relocate to Oahu for eighteen months in order to attend paramedic training classes, thus deterring their efforts for advanced MICT certification.

Your Committee also finds that this is a very important measure to help keep our emergency medical services topnotch. Kapiolani Community College is in the process of developing a telecommunications infrastructure to support quality distance education, and will assume subsequent expenses after this initial start up.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3156 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2157 (Joint/Majority) Health and Human Services on S.B. No. 3235

The purpose of this measure is to allocate a one-half-cent increase in the tobacco tax to prevention and treatment programs and services for crystal methamphetamine.

Testimony in support of this measure was received from a member of the Hawaii County Council, the National Association of Social Workers, the American Lung Association, and the Coalition for a Tobacco Free Hawaii. Testimony in opposition to this measure was received from the Department of Taxation. Comments on this measure were received from the American Heart Association.

Your Committees find that the increase in the tobacco tax for treatment and prevention programs is an effective way to raise revenues to combat the State's crystal methamphetamine epidemic. This new source of revenue will ensure that current public health services are maintained, while at the same time funding additional treatment and prevention programs to deal with the crystal methamphetamine crisis.

Your Committees have amended this measure to:

- (1) Increase the tobacco tax by an additional one-half-cent, to 7.5 cents; and

(2) Provide that one cent shall be deposited into the crystal methamphetamine treatment and prevention special fund.

Your Committees also finds that crystal methamphetamine should be identified as a priority with regard to receipt of funds.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3235, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3235, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Trimble). Excused, 3 (Hooser, Ige, Inouye).

SCRep. 2158 Water, Land, and Agriculture on S.B. No. 2246

The purpose of this measure is to exempt leases from the prohibition of private restrictions on agricultural uses and activities within State agricultural districts.

Testimony in support of this measure was received by the Department of Agriculture, the Department of Land and Natural Resources, Land Use Research Foundation of Hawaii, Hawaii Farm Bureau, and Kamehameha Schools. Hawaiian Island Development Co., Inc. submitted comments on the measure.

Your Committee heard the concerns of the Chairpersons of the Board of Agriculture and Board of Land and Natural Resources regarding the need to include utility and access easements in the measure to ensure uninterrupted service from public utilities and safe ingress and egress over agricultural land. Your Committee finds that making these changes will provide necessary latitude to allow the bill to help, and not hinder, implementation of these exceptions.

Accordingly, your Committee has amended the measure by exempting utility and access easements, in addition to leases, from the prohibition against private restrictions on agricultural lands, and by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2246, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2246, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2159 (Joint) Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs on S.B. No. 2825

The purpose of this measure is to delete the reporting due date of the biennial performance evaluation of the operation of elections and performance of the chief election officer.

Testimony in support of this measure was received from the Department of Accounting and General Services and the elections appointment and review panel (panel).

Current law provides that the panel is required to submit its findings and recommendations not less than twenty days prior to the convening of each regular session held in odd number years. This measure deletes the time requirement of twenty days prior to session. The intent of this measure is to give the panel adequate time to prepare its report in an election year (even numbered year). Under current law, the panel has from the general election day in early November to early January to prepare its report. This period of two months is insufficient for a complete and analytical report as contemplated by existing law.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2825 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

SCRep. 2160 Ways and Means on S.B. No. 2522

The purpose of this measure is to authorize the issuance of general obligation bonds to finance project appropriations contained in acts passed by the Legislature during the 2004 Regular Session for which the means of financing are funds derived from general obligation bonds or reimbursable general obligation bonds.

The measure also includes a declaration of findings that states that the total amount of principal and interest, estimated for the bonds and for all bonds authorized but unissued and calculated for all bonds issued and outstanding, will not cause the State's debt limit to be exceeded at the time of the bonds' issuance.

Your Committee finds that the authorization to issue general obligation bonds and reimbursable general obligation bonds is necessary in order to finance the various capital improvement and other projects of the State.

Your Committee also finds that Article VII, Section 13, of the Constitution of the State of Hawaii, requires the Legislature to include the declaration of findings in every general law authorizing the issuance of general obligation bonds.

Your Committee believes that the measure provides the authorization and declaration of findings necessary to fund the capital improvement and other projects of the State and to comply with the constitutional mandate of Article VII, Section 13, of the Constitution of the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2522 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 7 (Aduja, Espero, Kanno, Kawamoto, Kim, Tsutsui, Hemmings).

SCRep. 2161 Ways and Means on S.B. No. 2523

The purpose of this measure is to clarify that the budget and the variance report are separate publications.

Your Committee finds that this bill clears up any ambiguity that may have existed regarding publications required for public distribution.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2523 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Aduja, Espero, Kanno, Kawamoto, Kim, Hemmings).

SCRep. 2162 Ways and Means on S.B. No. 2524

The purpose of this measure is to improve certain aspects of state financing.

More specifically, the bill accomplishes this by amending current law to make clarifications that relate to general obligation bonds.

Your Committee finds that clarification concerning the validation of proceedings relating to the contracting of general obligation bonded indebtedness and the issuance, sale, execution, and delivery of general obligation bonds will have a positive impact on state finances.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2524 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Aduja, Espero, Kanno, Kawamoto, Kim, Hemmings).

SCRep. 2163 Ways and Means on S.B. No. 2525

The purpose of this measure is to amend section 36-31(c), Hawaii Revised Statutes, by deleting an obsolete effective date reference.

Your Committee finds that this measure will contribute to the maintenance of good order in the State's fiscal laws.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2525 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Aduja, Espero, Kanno, Kawamoto, Kim, Hemmings).

SCRep. 2164 Ways and Means on S.B. No. 2526

The purpose of this measure is to clarify the law relating to the disposition of abandoned or seized property.

More specifically, the measure makes a technical amendment to section 171-31.5(h), Hawaii Revised Statutes, to clarify the remedies available to owners of abandoned or seized properties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2526 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Aduja, Espero, Kanno, Kawamoto, Kim, Hemmings).

SCRep. 2165 Ways and Means on S.B. No. 2527

The purpose of this measure is to clarify the powers of persons appointed as investigators for the Department of Taxation.

More specifically, the measure amends section 231-4.3, Hawaii Revised Statutes, to require persons who are appointed and commissioned as investigators for the Department of Taxation to exercise all powers, authority, and benefits of a police officer or deputy sheriff, including the power to make arrests.

Comments on this measure were submitted by the Tax Foundation of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2527 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 6 (Aduja, Espero, Kanno, Kawamoto, Kim, Hemmings).

SCRep. 2166 Ways and Means on S.B. No. 2529

The purpose of this measure is to authorize the use of certificates of deposit issued through the Certificate of Deposit Account Registry Service to secure public funds.

The Department of Budget and Finance and City Bank submitted comments on the bill.

Your Committee finds that the bill clarifies the scope of the present law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2529 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 7 (Aduja, Espero, Kanno, Kawamoto, Kim, Tsutsui, Hemmings).

SCRep. 2167 Ways and Means on S.B. No. 3179

The purpose of this measure is to clarify language regarding the definition of "state funds".

Specifically, in section 37-54(b), Hawaii Revised Statutes, the addition of the word "the" clarifies the nature of the responsibility resting on a state officer or employee acting on behalf of the State for the initial custody, accountability, and disposition of moneys that are "state funds".

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3179 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 6 (Aduja, Espero, Kanno, Kawamoto, Kim, Hemmings).

SCRep. 2168 Ways and Means on S.B. No. 3182

The purpose of this measure is to clarify the law relating to state funds.

More specifically, this measure makes a technical amendment to the state budget law relating to the deposit of state funds into the state treasury.

Your Committee finds that technical amendments are necessary for clarity and consistency of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3182 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 6 (Aduja, Espero, Kanno, Kawamoto, Kim, Hemmings).

SCRep. 2169 (Joint) Human Services and Health on S.B. No. 2163

The purpose of this measure is to authorize licensed health care providers to share medical information with other licensed health care providers of children under the child protective services system.

The Department of Human Services submitted testimony in favor of this measure.

Your Committees find that this measure will enable health care providers to share necessary medical information or records of past abuse of children who are under child protective services. This measure will also support Hawaii's efforts to improve all health outcomes for the children in foster care.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2163 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Hooser, Ige).

SCRep. 2170 (Joint) Human Services and Health on S.B. No. 2165

The purpose of this measure is to require the Department of Human Services to implement a program to conform to the federal Child Abuse Prevention and Treatment Act to provide drug affected newborns and their families with referral services, safe care, and triage procedures.

The Department of Human Services and Blueprint for Change submitted testimony in favor of this measure.

Your Committees find that this measure supports the goals and objectives of the Department of Human Services. Moreover, this measure will help Hawaii conform to the federal provisions of the Child Abuse Prevention and Treatment Act and Keeping Children and Families Safe Act. These federal provisions require states to enact an administrative program for health care of infants born and identified as being affected by illegal substance abuse or withdrawal symptoms resulting from prenatal drug exposure.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2165 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Hooser, Ige).

SCRep. 2171 Human Services on S.B. No. 2349

The purpose of this measure is to develop a process for identifying arrested individuals with minor children and provide counseling and assistance in making appropriate arrangements for care of their children.

Testimony in support of this measure was submitted by Hawaii Youth Services Network, Good Beginnings Alliance, Hawaii Coalition for Dads, Blueprint for Change, and a private citizen. The Department of Public Safety offered comments on this measure.

Your Committee finds that when parents are arrested and incarcerated, the impact on their children is tremendous. These children are likely to develop psychological problems and experience grief, guilt, shame, or fear. School performance often declines and truancy, substance abuse, and aggressive behavior may increase.

It is difficult for parents to maintain relationships with their children while incarcerated, particularly in Hawaii. Nearly one-quarter of Hawaii's prisoners are held in privately operated out-of-state facilities. Visitation procedures can be frightening to children. Providing a play area with toys and books would create a more family-friendly atmosphere and enable parents to maintain bonds with their children.

Your Committee has amended this measure by:

- (1) Deleting language that authorizes a process for identifying arrested individuals with minor children;
- (2) Establishing a Child-Friendly Visitation Center Task Force that will assist in the strengthening of familial bonds of incarcerated parents; and
- (3) Delaying the effective date to July 1, 2005 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2349, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2349, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Inouye, Hooser, Tsutsui).

SCRep. 2172 (Joint) Human Services and Health on S.B. No. 2572

The purpose of this measure is to require QUEST to cover certain dental services for pregnant women.

Testimony in support of this measure was submitted by the Hawaii Primary Care Association, Kokua Council, five staff members from Waianae Coast Comprehensive Health Center, Healthy Mothers Healthy Babies, and Papa Ola Lokahi. The Department of Human Services submitted testimony in opposition.

Your Committees find that studies show poor dental health contributes to poor health for both pregnant women and their babies. The hormonal changes that occur during pregnancy often affect oral health and underscore their need to have access to regular oral health services.

In 1996, basic dental services for adults covered by the medicaid and QUEST programs were discontinued. Currently, only emergency dental services, such as extractions, are covered for these clients. By the time these emergency services are performed, the damage has already occurred. Research has proven that there is a connection between poor oral health during pregnancy and babies who are born premature or at a low birth rate. This measure will help decrease this occurrence.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2572 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Hooser, Ige).

SCRep. 2173 Human Services on S.B. No. 2607

The purpose of this measure is to restrict the Hawaii courts from adjudicating adoption proceedings involving Marshallese children without the prior approval of the appropriate court in the Republic of the Marshall Islands.

Testimony in support of the measure was submitted by the Department of Human Services and Healthy Mothers, Healthy Babies.

Your Committee finds that many Marshallese women in the late stages of their pregnancy are being brought to Hawaii by private adoption agencies. Health providers have expressed concerns that these women did not appear to have prenatal care prior to their arrival. Often, these women have significant medical conditions that were not being treated. The providers are further concerned about whether these women are making uninformed or coerced decisions about the adoption.

The Republic of the Marshall Islands has recently passed a law that prohibits adoption solicitation and has established a Central Adoption Authority. This measure will assist in deterring improper private and independent adoptions.

Due to the Department of Human Services' statutory duties, your Committee has amended this bill excluding children under the Child Protective Act.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2607, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Inouye, Ige, Trimble).

SCRep. 2174 (Joint) Human Services and Health on S.B. No. 2608

The purpose of this measure is to delete the sunset clause of the Critical Access Hospital Program and substitute the Department of Human Services for the Hawaii Health Systems Corporation to provide matching funds for rural hospitals.

Testimony in favor of this measure was submitted by the Healthcare Association of Hawaii, Hawaii Government Employees Association, Hawaii Health Systems Corporation, and Hawaii Rural Health Association. The Department of Budget and Finance and the Kauai Veterans Memorial Hospital submitted comments.

Your Committees find that the sunset of the Critical Access Hospital Program may result in reduction in critical services. The four Critical Access Hospitals under the Hawaii Health Systems Corporation have achieved significant beneficial results. The communities served by these facilities are now able to access emergency services at any time. If the sunset date is not repealed, the facilities will no longer be able to receive the additional federal funding for these emergency services.

The Department of Human Services has been coordinating with the Hawaii Health Systems Corporation regarding matching funds and will continue to discuss this issue. Consequently, your Committees have amended this bill by deleting item 1 of section 1, allowing the Hawaii Health Systems Corporation to continue to provide matching funds for the Critical Access Hospitals.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2608, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2608, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Hooser, Ige).

SCRep. 2175 (Joint) Human Services and Health on S.B. No. 2661

The purpose of this measure is to appropriate funds for QUEST and medicaid coverage for Micronesians residing in Hawaii pursuant to the Compact of Free Association.

Testimony in favor of the measure was submitted by the Department of Human Services, Hawaii Primary Care Association, Hawaii County Council, and various private citizens.

Your Committees find that under the Compacts of Free Association, Hawaii has approximately 7,300 migrants from Pacific nations. Most of these migrants face economic, educational, language, and cultural challenges when moving to Hawaii. However, they have come here seeking better opportunities and, more importantly, medical assistance. Many have serious health problems. Diabetes and other chronic diseases are common among adults. Community health centers across the State serve a considerable number of the Pacific migrants.

Unfortunately, the federal government, which has jurisdiction over the compact, has not fully recognized the costs that Hawaii bears to assist these migrants. Therefore, providing access to QUEST and medicaid for these individuals must be a state priority. Your Committees are aware that the current executive supplemental budget includes funding to restore medical assistance coverage for these migrants and would like to demonstrate their support by passing this measure out of committee with amendments to include other Pacific nations under the compact.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2661, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2661, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Hooser, Ige).

SCRep. 2176 Human Services on S.B. No. 2978

The purpose of this measure is to clarify that the Department of Public Safety deputy sheriffs and narcotics enforcement officers and the Attorney General investigators shall report child abuse cases, and are authorized to take the child victim into protective custody.

The Department of Department of Public Safety, the Attorney General, and the Department of Human Services submitted testimony in support of this measure.

Your Committee finds that deputy sheriffs, narcotic enforcement officers, and Attorney General investigators occasionally witness child abuse during the course of their work. The current statutes do not specifically state that these officers may assume protective custody of a child. County police officers are the only individuals doing so at this time. Rather than wait for county police officers to arrive this measure will authorize deputy sheriffs, narcotic enforcement officers, and Attorney General investigators to fulfill this function.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2978 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Inouye, Hooser, Ige).

SCRep. 2177 Human Services on S.B. No. 3037

The purpose of this measure is to establish a dedicated source of funding to provide grants to caregivers for respite services.

Testimony in favor of this measure was submitted by the State Council on Developmental Disabilities and various private citizens. The Department of Health submitted testimony in opposition to this measure and the Disability and Communication Access Board submitted comments.

Your Committee finds that respite services are the most requested services by families of those with developmental disabilities. Although funding levels have remained the same, it is also insufficient to meet the increase in demands for caregivers. Costs for respite services are approximately 65-70 percent less than the costs of maintaining people in institutions.

Therefore, your Committee has amended the measure by replacing it with language from SB939, including the new language that:

- (1) Gives authority to the Hawaii Community Foundation over the trust fund;
- (2) Amends the composition of the advisory board members; and
- (3) Appropriates an unspecified amount into the trust fund.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3037, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3037, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Inouye, Hooser, Tsutsui).

SCRep. 2178 (Joint) Human Services and Transportation, Military Affairs, and Government Operations on S.B. No. 3118

The purpose of this measure is to establish a medical discount taxi program for the elderly and disabled who have limited income and are not wheelchair-bound.

Testimony in support of this measure was submitted by the Department of Human Services, the State Council on Developmental Disabilities, the Disability and Communication Access Board, Kokua Council, and three private citizens.

Your Committees find that the current level of services does not meet the transportation needs of those with disabilities and limited income. Without access to transportation, these individuals face the challenge of getting to and from activities of daily living. This measure attempts to fulfill their transportation needs.

All testimony submitted supported the measure, however the State Council on Developmental Disabilities and the Disability and Communication Access Board raised some concerns with the current language of the bill. Accordingly, your Committees have made the following amendments:

- (1) Deleting the exclusion of wheelchair-bound individuals;
- (2) Allowing the service to be utilized by qualified individuals for any transportation need, not only for medical services;
- (3) Specifying that the Oahu Transit Services, which runs the existing Handi Van Service, is to administer the contracts with taxi companies;
- (4) Authorizing the Executive Office of Aging and the Disability and Communication Access Board to assist the Department of Human Services in developing eligibility standards; and
- (5) Making technical, nonsubstantive amendments for the purposes of style.

As affirmed by the records of votes of the members of your Committees on Human Services and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3118, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3118, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 6 (Aduja, Hooser, Ige, Inouye, Kanno, Menor).

SCRep. 2179 Human Services on S.B. No. 3136

The purpose of this measure is to require chiropractic services to be covered under medicaid and QUEST.

The Hawaii State Chiropractic Association and four private citizens submitted testimony in support of the measure. The Department of Human Services submitted comments.

Your Committee finds that chiropractic services are an accepted part of the health care delivery system across the United States. In Hawaii, chiropractic legislation was enacted in 1925. Chiropractic services are currently covered federally in medicare as well as coverage for all veterans. Inclusion of chiropractic services in QUEST and medicaid will serve to bring Hawaii in line with the majority of other states.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3136 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Inouye, Ige, Trimble).

SCRep. 2180 (Joint/Majority) Labor and Transportation, Military Affairs, and Government Operations on S.B. No. 2032

The purpose of this measure is to clarify that the state law requiring payment of prevailing wages applies to all laborers, mechanics, required assistants, helpers, tenders, and apprentices on a public works project, and not only those on the job site.

Testimony in support of this measure was submitted by the Hawaii Operating Engineers Industry Stabilization Fund.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Department of Accounting and General Services, the General Contractors Association of Hawaii, and Associated Builders and Contractors, Inc.

Your Committees find that the State must strive towards perpetuating a sense of equity in the governance of public works projects. Under prevailing standards, required assistants, helpers, tenders, and apprentices should be receiving payment of prevailing wages to ensure uniformity in the execution of public works projects. Your Committees determine that the establishment of clear standards in the law will provide equally patent guidelines for the Department of Labor and Industrial Relations to follow in its enforcement of prevailing standards.

Accordingly, your Committees have amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2032, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2032, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1, (Slom). Excused, 4 (Baker, Sakamoto, Taniguchi, Whalen).

SCRep. 2181 Labor on S.B. No. 2357

The purpose of this measure is to repeal the payroll lag for public employees and establish paydays on the first and fifteenth of every month.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and the Hawaii Government Employees Association.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that an after-the-fact payroll schedule for public employees was instituted pursuant to Act 355, Session Laws of Hawaii 1997, that resulted in public employees being paid on the fifth and twentieth of every month. Your Committee determines that a return to scheduled pay days on the first and fifteenth of each month will act to alleviate the current financial strain placed upon our dedicated public servants as a result of the payroll lag.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2357 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2182 (Joint) Labor and Transportation, Military Affairs, and Government Operations on S.B. No. 2367

The purpose of this measure is to establish a five per cent income tax credit for employers that hire members of the United States National Guard.

This measure also requires that the tax credit shall not exceed \$1,000 per employee serving as a member of the National Guard.

Testimony in support of this measure was submitted by the Department of Defense and the Chamber of Commerce of Hawaii.

Testimony in opposition to this measure was submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committees find that individuals serving as members of the National Guard have been called upon more and more in recent years. Your Committees further find that increases in the number of military deployments have imposed undue hardships upon employers who employ members of the National Guard by causing them to experience a decrease in their workforce.

Your Committees determine that efforts must be made to assist these employers and to also ensure that they not become reluctant to continue to hire and employ members of our military forces. However, your Committees also determine that members of the Military Reserves have also been tasked increasingly over the past few years and their contributions and the accommodations provided by their nonmilitary employers should also be recognized.

Accordingly, your Committees have amended this measure by making the tax credit applicable with respect to employees who are members of the Reserves as well as the National Guard.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2367, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2367, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Sakamoto, Taniguchi, Whalen).

SCRep. 2183 (Joint) Labor and Transportation, Military Affairs, and Government Operations on S.B. No. 2368

The purpose of this measure is to allow a public employee on active military duty for at least thirty days to receive the difference in pay between the employee's nonmilitary and active military pay, if the active military pay is less than the nonmilitary pay.

Testimony in support of this measure was submitted by the Chamber of Commerce of Hawaii.

Testimony in opposition to this measure was submitted by the Department of Human Resources Development, the Department of Human Resources for the City and County of Honolulu, and the Department of Personnel Services for the County of Maui.

The Department of Budget and Finance submitted comments on this measure.

Your Committees find that Hawaii is fortunate to have as citizens and to employ individuals who not only nobly serve their State, but their country as well. Your Committees further find that the contributions and sacrifices of these individuals are great and should not go unrecognized. Members of the National Guard or the Reserves who are called to active duty for extended periods often suffer financial difficulties as a result of their service; therefore, allowances or accommodations should be made in order to assist these individuals in any way possible. Your Committees determine that these individuals should be compensated for the difference in nonmilitary and active military pay while on active duty for at least thirty days to alleviate the financial burden imposed by the fulfillment of their call to service.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2368 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Sakamoto, Taniguchi, Whalen).

SCRep. 2184 Labor on S.B. No. 2541

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 13, professional and scientific employees, who cannot be included in any of the other bargaining units.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for professional and scientific employees, who cannot be included in any other bargaining unit, who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and the Judiciary.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 13 will eventually produce a settlement.

Accordingly, your Committee has amended the measure as follows:

- (1) By changing the program identification code reference from administrative director services (JUD 201) to administration (JUD 601); and
- (2) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2541, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2541, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2185 Labor on S.B. No. 2542

The purpose of this measure is to fund all collective bargaining cost items in the agreements negotiated with the exclusive bargaining representative of collective bargaining unit (2), supervisory employees in blue collar positions; bargaining unit (3), nonsupervisory employees in white collar positions; bargaining unit (4), supervisory employees in white collar positions; bargaining unit (6), educational officers and other personnel of the department of education under the same pay schedule; bargaining unit (8), personnel of the University of Hawaii and the community college system, other than faculty; and bargaining unit (13), professional and scientific employees, who cannot be included in any other bargaining units.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and under the same compensation plans as those officers and employees within collective bargaining units (2), (3), (4), (6), (8), and (13).

Testimony in support of this measure was submitted by the Office of Collective Bargaining, the Judiciary, and the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for units (2), (3), (4), (6), (8), and (13) will eventually produce a settlement.

Accordingly, your Committee has amended the measure as follows:

- (1) By changing the program identification code reference from administrative director services (JUD 201) to administration (JUD 601); and
- (2) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2542, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2542, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2186 Labor on S.B. No. 2543

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 2, supervisory employees in blue collar positions.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for supervisory employees in blue collar positions who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining, the Judiciary, and the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 2 will eventually produce a settlement.

Accordingly, your Committee has amended the measure as follows:

- (1) By changing the program identification code reference from administrative director services (JUD 201) to administration (JUD 601); and
- (2) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2543, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2543, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2187 Labor on S.B. No. 2544

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 3, nonsupervisory employees in white collar positions.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for nonsupervisory employees in white collar positions who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining, the Judiciary, and the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 3 will eventually produce a settlement.

Accordingly, your Committee has amended the measure as follows:

- (1) By changing the program identification code reference from administrative director services (JUD 201) to administration (JUD 601); and
- (2) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2544, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2544, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2188 Labor on S.B. No. 2545

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 4, supervisory employees in white collar positions.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for supervisory employees in white collar positions who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining, the Judiciary, and the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 4 will eventually produce a settlement.

Accordingly, your Committee has amended the measure as follows:

- (1) By changing the program identification code reference from administrative director services (JUD 201) to administration (JUD 601); and
- (2) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2545, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2545, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2189 Labor on S.B. No. 2546

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 6, educational officers and other personnel of the department of education under the same pay scale.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for educational officers and other personnel of the department of education under the same pay scale who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 6 will eventually produce a settlement.

Accordingly, your Committee has amended the measure as follows:

- (1) By changing the program identification code reference from administrative director services (JUD 201) to administration (JUD 601); and
- (2) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2546, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2190 Labor on S.B. No. 2547

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 8, personnel of the University of Hawaii and the community college system, other than faculty.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for personnel of the University of Hawaii and the community college system, other than faculty who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 8 will eventually produce a settlement.

Accordingly, your Committee has amended the measure as follows:

- (1) By changing the program identification code reference from administrative director services (JUD 201) to administration (JUD 601); and
- (2) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2547, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2547, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2191 Labor on S.B. No. 2548

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 9, registered professional nurses.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for registered professional nurses who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and the Judiciary.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 9 will eventually produce a settlement.

Accordingly, your Committee has amended the measure as follows:

- (1) By changing the program identification code reference from administrative director services (JUD 201) to administration (JUD 601); and
- (2) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2548, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2548, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2192 Labor on S.B. No. 2549

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 1, nonsupervisory employees in blue collar positions.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for nonsupervisory employees in blue collar positions who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and the Judiciary.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 1 will eventually produce a settlement.

Accordingly, your Committee has amended the measure as follows:

- (1) By changing the program identification code reference from administrative director services (JUD 201) to administration (JUD 601); and
- (2) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2549, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2193 Labor on S.B. No. 2551

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 7, faculty of the University of Hawaii and the community college system.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for faculty of the University of Hawaii and the community college system who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 7 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2551 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2194 Labor on S.B. No. 2552

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 9, registered professional nurses.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for registered professional nurses who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining, the Judiciary, and the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 9 will eventually produce a settlement.

Accordingly, your Committee has amended the measure as follows:

- (1) By changing the program identification code reference from administrative director services (JUD 201) to administration (JUD 601); and
- (2) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2552, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2552, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2195 Labor on S.B. No. 2556

The purpose of this measure is to appropriate funds for the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for officers and employees excluded from collective bargaining from the Office of the Auditor, the Hawaii State Ethics Commission, the Office of the Legislative Reference Bureau, and the Office of the Ombudsman for the fiscal year 2004-2005.

Testimony in support of this measure was submitted by the Office of the Ombudsman, the Hawaii State Ethics Commission, and the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association.

Your Committee believes that this measure should remain available for action throughout the legislative process as negotiations between the State and exclusive bargaining representative, with which salary increases for excluded employees have traditionally been aligned, continue.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2556 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 2196 Labor on S.B. No. 2593

The purpose of this measure is to allow a public employee, who owes money to the government as a result of an overpayment of salary or wages and who requests a hearing on the matter, to structure a repayment schedule.

Testimony in support of this measure was submitted by the United Public Workers/AFSCME, Local 646, AFL-CIO.

Your Committee finds that under the current law, upon determination by the disbursing officer that a public employee has received an overpayment of salary or wages, one-quarter of the employee's salary, wages, or compensation is withheld until the debt is fulfilled. Your Committee further finds that this requirement can place an undue burden upon an employee's financial well-being, particularly in light of the current economic climate. Therefore, your Committee determines that for an employee who contests the determination of indebtedness, the repayment process should be more flexible to allow for an agreed-upon repayment schedule that will ease the employee's financial burden, yet continue to provide for repayment.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2593 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2197 (Majority) Labor on S.B. No. 2718

The purpose of this measure is to amend the law relating to the salaries of legislative service agencies, specifically, the Office of the Auditor, the Office of the Ombudsman, and the Legislative Reference Bureau.

Testimony in support of this measure was submitted by the Office of the Auditor, the Office of the Ombudsman, and the Legislative Reference Bureau.

Your Committee finds that the Office of the Auditor, the Office of the Ombudsman, and the Legislative Reference Bureau provide invaluable services to the Legislature and the State as a whole. However, the salaries for the Auditor, Ombudsman, and Director of the Legislative Reference Bureau, and their first deputy or first assistants, have remain unchanged for well over a decade, since 1990. Your Committee further finds that in the case of the Office of the Auditor, the salaries of staff members have actually surpassed that of the first deputy. Therefore, your Committee determines that it is necessary to provide for the adequate compensation of the individuals in these positions at a level commensurate with the their responsibilities, experience, and performance.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2718 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2198 Labor on S.B. No. 2873

The purpose of this measure is to establish the employers' contribution to the Employees' Retirement System at 15.75 per cent of the member's compensation for police and firefighters and 13.75 per cent for all other employees beginning in fiscal year 2005-2006.

This measure also:

- (1) Provides for the review and possible adjustment of the employer contribution rate subsequent to completion of the five-year actuarial experience study;
- (2) Eliminates the separate computation of contributions for the Early Incentive Retirement Plan (EIRP) authorized under Act 212, Session Laws of Hawaii 1994, and include in the total contributions computed as a stated percentage of compensation payment for the remaining amounts due the EIRP as of June 30, 2005; and
- (3) Amends the appropriate sections of chapter 88, Hawaii Revised Statutes, to provide consistency in the implementation of the establishment of the employer contributions to the ERS as a percentage of employee compensation.

Testimony in support of this measure was submitted by the Department of Budget and Finance and the Department of Finance of the County of Maui.

The Employees' Retirement System submitted comments on the measure.

Your Committee finds that employer contributions to the ERS are currently calculated based upon annual actuarial valuations in dollar amounts which account for normal cost and amounts required to amortize the projected unfunded liability within a statutorily established period of time. Your Committee further finds that funding requirements can fluctuate significantly from year to year and, therefore, a more stable methodology for calculating the employer contribution would be more beneficial.

Your Committee determines that establishing the employers' contribution to the ERS as a percentage amount will facilitate predictable budget requirements and cash flow, curb increases in employer contributions as a result of short-term adverse conditions, and provide employees with added security benefits. Additionally, the elimination of separate computation of EIRP contributions will also streamline the administration of the EIRP without materially affecting the amount of the contributions.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2873 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

SCRep. 2199 (Joint) Labor and Transportation, Military Affairs, and Government Operations on S.B. No. 3106

The purpose of this measure is to allow the counties to enter into agreements with the State to extend and make participation mandatory in the State deferred compensation retirement plan for part-time, temporary, and seasonal or casual public employees.

Testimony in support of this measure was submitted by the Mayor of the County of Maui and the Department of Finance for the County of Maui.

The Department of Human Resources Development submitted comments on the measure.

Your Committees find that savings to the counties as well as increased earnings for part-time, temporary, and seasonal or casual employees may be accomplished through the mandated participation of these employees in a deferred compensation plan. These employees would be able to have the money, which would otherwise be paid as FICA contributions, directed to a deferred compensation plan with those funds and any interest earned thereon made available to them upon termination. Additionally, the counties would be spared the expense of paying their share of the FICA contributions for those employees.

Your Committees determine that although, under the current law, each county is authorized to establish a deferred compensation retirement plan, allowing the counties to take advantage of the State's deferred compensation plan will enable the counties to save money and avoid any duplication of the efforts and resources involved in establishing and maintaining their own deferred compensation plans.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3106 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Baker, Sakamoto, Taniguchi, Whalen).

SCRep. 2200 (Majority) Labor on S.B. No. 3120

The purpose of this measure is to prohibit the inclusion of provisions that restrict access to prospective employment within employment contracts in the broadcast industry.

Testimony in support of this measure was submitted by the Hawaii Branch of the Screen Actor's Guild; the International Alliance of Theatrical and Stage Employees, Local 665; the American Federation of Musicians, Hawaii Local 677; the International Brotherhood of Electrical Workers (IBEW), State Federation, IBEW, Local 1260; Radcliffe & Associates, LLC; and two individuals.

Testimony in opposition to this measure was submitted by Hearst-Argyle Television, Inc., Clear Channel Communications, Emmis Communications, Raycom Media, and Clear Channel Radio Hawaii.

Your Committee finds that the broadcast industry in Hawaii is a relatively small community which offers few opportunities for employment, in contrast to the sizeable markets on the mainland. Your Committee further finds that due to the market size, many individuals entering into negotiations for employment contracts with broadcast employers lack sufficient bargaining power to exclude noncompete clauses from their contracts. Your Committee determines that these individuals should be permitted to market themselves freely and seek employment elsewhere without the burden of excessive restrictions. However, your Committee further determines that limiting this measure to apply only to broadcast talent will ensure that the effect on broadcast employers is not also overly onerous.

Accordingly, your Committee has amended this measure by:

- (1) Redefining "on-air broadcast employee" to be "broadcast talent"; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3120, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2201 (Joint) Labor and Transportation, Military Affairs, and Government Operations on S.B. No. 3175

The purpose of this measure is to allow for a referendum to be held so that employees who are currently not contributing to Medicare would be given the option of participation in the Medicare system.

Testimony in support of this measure was submitted by the East-West Center, the East-West Center Employees Association, and an individual.

Your Committees find that in 1981 a referendum was held allowing employees of the East-West Center (EWC) to choose whether or not to be covered by the Social Security Act, with such decision being irrevocable. Your Committees further find that subsequently, in 1986, the Social Security Administration, in recognition of a lack of hospital insurance coverage nationwide, modified the Social Security Act to require the provision of Medicare coverage for employees hired on or after April 1, 1986, who are not covered by Social Security. However, no mechanism exists for the provision of Medicare coverage for those employees hired prior to April 1, 1986.

Therefore, your Committees determine that these employees should be afforded the opportunity to secure coverage under the Medicare system. Additionally, your Committees determine that as it is currently unaware of any other groups or employees who may be affected by this measure, and as the EWC has indicated that it is willing to fund costs incurred with regard to affected EWC employees, the appropriation contained within the measure is unnecessary.

Accordingly, your Committees have amended this measure by:

- (1) Deleting section 3 of the measure which provided for an appropriation from the general fund for the extension of benefits under Title XVIII of the Social Security Act to employees of the political subdivisions of the State;
- (2) Including a provision which obligates the EWC to cover any costs associated with the extension of benefits under Title XVIII of the Social Security Act to employees of the East-West Center; and
- (3) Making technical, nonsubstantive stylistic changes.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3175, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3175, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (Baker, Menor, Sakamoto, Taniguchi, Whalen).

SCRep. 2202 Transportation, Military Affairs, and Government Operations on S.B. No. 2018

The purpose of this measure is to require the use of child passenger safety seats or booster seats for children over the age of four and less than eight.

Testimony in support of this measure was received from the Department of Transportation, Department of Health, Honolulu Police Department, Maui Police Department, Waianae Coast Comprehensive Health Center, The Queen's Medical Center, Mothers Against Drunk Driving, Keiki Injury Prevention Coalition, Hawaii Association of Independent Schools, Good Beginnings Alliance, State Farm Mutual Automobile Insurance Company, and one individual.

This measure also provides for specified exceptions for children between the ages of four and eight.

Current law requires children under the age of four to be restrained in a passenger restraint system. However, your Committee finds that this age is too low. Your Committee is moved by the testimony indicating that the proper use of child passenger restraints is the most important factor in preventing death and disability in a car crash. The National Highway Traffic Safety Administration, the National Transportation Safety Board, and the American Academy of Pediatrics recommend that children four through seven years of age be properly secured in an appropriate car or booster seat.

Your Committee finds that children ages four to eight are especially vulnerable to injury because they are usually too small in stature to benefit from the protection of a normal seat belt.

Your Committee has amended this measure by adding a definition for “restrained” and making clarifying amendments that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2018, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

SCRep. 2203 Transportation, Military Affairs, and Government Operations on S.B. No. 2023

The purpose of this measure is to create a three-tier system of driver licensing, including creation of a provisional license for persons under the age of eighteen.

Testimony in support of this measure was received from the Department of Transportation, Honolulu Police Department, Keiki Injury Prevention Coalition, Mothers Against Drunk Driving, Hawaii Insurers Council, American Academy of Pediatrics, Kona Traffic Safety Committee, and State Farm Mutual Automobile Insurance Company. Testimony in opposition was received from the Office of the Public Defender. Comments were received from the Judiciary.

This measure also specifies the requirements for obtaining a provisional license and driving with a provisional license, and provides for a waiting period before a suspended or revoked license is reinstated.

The three-tier system created by this measure institutes progressive graduation from a learner’s permit, to a provisional license, to a driver’s license. A graduated system of driver licensing like this is the norm in the country. Hawaii is one of only six states without such a system. Your Committee has learned that eighty-five per cent of the parents of young drivers in states having a graduated system rate the system as good.

Your Committee notes testimony that drivers under the age of nineteen continue to be involved in crashes that result in fatalities and injuries at twice the rate of the population as a whole. In Hawaii, forty-eight per cent of injury deaths among fifteen to nineteen year olds in the ten-year period between 1993 and 2002 were due to motor vehicle crashes. Your Committee finds that the high percentage of deaths among teen drivers in Hawaii is attributable to inexperience and inadequate driving skills. The intent of this measure is to reduce teen deaths due to negligent driving. The sad fact is that these tragedies can be easily avoided with a simple amendment to the laws.

A graduated three-tier system would afford young drivers more time and experience behind the wheel under the supervision of a mature licensed driver. Your Committee sincerely believes that age, time, experience, maturity, and supervision are keys to driver safety for young people. Safe driving is a skill to be learned gradually over a period of time, like any other skill.

Your Committee has amended this measure by:

- (1) Changing the time to 11 p.m. to 5 a.m.;
- (2) Allowing the court discretion to revoke or suspend a provisional license for violation of the requirements;
- (3) Making a conforming amendment to existing law; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2023, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2023, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2204 (Joint) Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on S.B. No. 2053

The purpose of this measure is to restrict spending of impact fees for any developments other than the one that was assessed the impact fee.

The Director of Transportation submitted testimony supporting the intent of the measure. The Land Use Research Foundation of Hawaii submitted testimony in opposition to the measure.

Your Committees found little support for the measure in its original form. However, your Committees found merit in the concept of restricting the expenditure of impact fees to improvements in the county in which the fees are assessed.

Accordingly, your Committees have amended the measure, as suggested by the Land Use Research Foundation of Hawaii, by replacing its contents with the contents of S.B. No. 1404, S.D. 1 and by adding a restriction on the expenditure of impact fees to the county in which the fees are assessed. As so amended, this measure clarifies county authority to assess impact fees for state highway improvements, and creates a new special fund for the Department of Transportation to administer county impact fees assessed for state highway projects and restricts the use of impact fees to the county in which they are assessed.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2053, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2053, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Kanno, Menor).

SCRep. 2205 Transportation, Military Affairs, and Government Operations on S.B. No. 2237

The purpose of this measure is to create a new offense of operating a vehicle after consuming a measurable amount of illegal drugs. The measure also requires the driver to take a blood or urine test.

Testimony in support of this measure was received from the Department of Transportation and the Honolulu Prosecuting Attorney. Testimony in opposition was received from the Office of the Public Defender. Comments were received from the Judiciary and Mothers Against Drunk Driving-Hawaii.

A person commits this offense if the person operates or assumes actual physical control of a vehicle with a measurable amount of any illegal drug in the person's blood or urine. This measure clarifies existing law by making specific reference to dangerous drugs, detrimental drugs, harmful drugs, intoxicating compounds, marijuana, or marijuana concentrates under the penal code and the controlled substances law. This measure further provides for a graduated system of punishment for repeat offenders.

Existing law covers operating a vehicle under the influence of an intoxicant (section 291E-61, Hawaii Revised Statutes), which requires as an element of the offense that the person's ability to operate the motor vehicle in a careful and prudent manner be impaired by the intoxicant. This measure does not make that condition an element of the offense, thus easing the burden of proof on the prosecution. Existing law also provides the driver with an election to take a blood or urine test. This measure abrogates that choice in favor of relegating the matter to the police to determine the most effective test to yield the best results.

The intent of this measure is to reduce the incidences of driving while under the influence of illegal drugs. As with alcohol, such driving is a danger to the public safety.

Your Committee has amended this measure on the recommendation of the Honolulu Prosecuting Attorney by:

- (1) Deleting language about requiring that the amount of drugs be clearly indicative of actual drug use and not passive inhalation, as being impossible to prove by tests;
- (2) Adding a provision to clarify that the right of refusal to take a breath, blood, or urine test does not apply to taking a blood or urine test under the new law;
- (3) Restoring the implied consent provision for alcohol tests; and
- (4) Bringing the new law into conformity with the administrative license revocation laws.

Your Committee has also made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2237, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

SCRep. 2206 (Joint) Transportation, Military Affairs, and Government Operations and Commerce Consumer Protection and Housing on S.B. No. 2375

The purpose of this measure is to require county police to issue a citation for the lack of a motor vehicle insurance policy upon discovering that a motor vehicle is not insured.

Testimony in support of this measure was received from the State Insurance Commissioner and one individual. Testimony in opposition was received from the Honolulu Police Department.

The intent of this measure is to reduce the number of uninsured motor vehicles. One means to do this is stricter enforcement of the motor vehicle insurance law requiring all motor vehicles to be insured. The most practicable means of enforcement is for the police to cite the driver of an uninsured motor vehicle. This usually occurs in the context of a traffic stop. This measure would require the police to issue a citation on the spot for lack of insurance and to immediately take possession of the certificate of registration. Thereupon, the police would take summary possession of the vehicle and impound it. The vehicle would be returned upon the owner showing proof of insurance to the court.

Your Committees find that this measure is necessary to address the uninsured motorists problem. Another alternative is a cooperative program between insurance companies and county police to provide police with electronic notification. However, that proposal presents computerization problems, among other issues. On the other hand, this measure is the reasonable and practicable alternative. Under current law, if a motorist is cited by police for a motor vehicle insurance violation, that motorist is free to proceed to drive the vehicle from the scene in derogation of the intent of the law. The motorist then can plead a case before the court at a later date. This measure takes away the vehicle from the motorist at the time the police stop occurs on the road. Your Committees find that this measure is a more effective deterrent and achieves the goal of getting uninsured vehicles off the road.

Your Committees have amended this measure by:

- (1) Making a conforming amendment to the motor vehicle registration law;
- (2) Correcting an erroneous cross-reference; and
- (3) Clarifying that a citation and impoundment shall also be done when the police are informed by the insurance company of the cancellation, as required by law.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2375, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2375, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Ige, Kanno, Kim, Sakamoto).

SCRep. 2207 Transportation, Military Affairs, and Government Operations on S.B. No. 2417

The purpose of this measure is to require large retailers and wholesalers that import goods for commercial sale to backhaul packaging, crating, insulation, pallets, and all other accommodating materials used for shipping to minimize the amounts of landfill.

Testimony in support of this measure was received from the Hawaii County Department of Environmental Management and Sierra Club. Testimony in opposition was received from the Hawaii Food Industry Association. Comments were received from the Department of Health.

Your Committee finds that this measure requires recycling of materials that would otherwise be dumped into landfills. These are common recyclable materials such as packaging and shipping materials. These are very common in landfills and yet are easy to recycle. This measure is an effort to save our landfills from being filled with more trash that can be easily avoided.

Your Committee has amended this measure by specifying that at least seventy-five per cent of the materials be backhauled, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2417, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Menor, Whalen).

SCRep. 2208 (Joint/Majority) Judiciary and Hawaiian Affairs and Water, Land, and Agriculture on S.B. No. 2758

The purpose of this measure is to prevent the Board of Land and Natural Resources (Board) from selling, exchanging, or otherwise alienating lands contained in the public land trust.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, one council member from the County of Maui, Hawaiian Political Action Council of Hawaii, Ka Lahui Hawaii, and two individuals. Testimony in opposition to this measure was submitted by the Board. Comments were also submitted by the Department of Hawaiian Home Lands.

Your Committees find that the lands in the public land trust constitute the legacy of the Hawaiian people. The State of Hawaii, as trustee and guardian of these resources, must ensure that this legacy is preserved and not diminished. Thus, your Committee believes that this measure will preserve the integrity of the public land trust.

Your Committees adopted the amendment suggested by the Department of Hawaiian Home Lands to allow the Board to sell, exchange, or alienate land to that department. The purpose of this amendment was to follow the intent of the Admission Act which allows the public land trust proceeds to be used for the "betterment of conditions of native Hawaiians as defined in the Hawaiian Homes Commission Act, 1920, as amended."

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2758, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2758, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, 1 (Whalen). Excused, 1 (Aduja).

SCRep. 2209 Judiciary and Hawaiian Affairs on S.B. No. 3048

The purpose of this measure is to appropriate moneys to expand the Weed and Seed Program to other communities that meet federal guidelines for receiving federal funding under the Weed and Seed Program.

Testimony in support of this measure was submitted by the Housing and Community Development Corporation of Hawaii, Department of Human Services; Department of Public Safety; Department of Urban and Regional Planning, University of Hawaii at Manoa; Kauluwela Elementary School; Honolulu City Council; Honolulu Police Department; Downtown Neighborhood Board No. 13; Ewa Beach Community Association; Waipahu Community Associations; Coalition for a Drug-Free Hawaii; Fort Street Business Improvement District Association; Gentry Homes, Ltd.; Pacific Gateway Center; Urban Honolulu Network; and seventy-six individuals. Testimony in opposition to this measure was submitted by one individual. Comments regarding this measure was also submitted by one individual.

Your Committee finds that the local Weed and Seed Program in place has been successful since its inception in the Kalihi-Palama and Chinatown areas of downtown Honolulu. Since the beginning of the program, crime in those areas has been significantly reduced. Thus, your Committee believes that the program's success warrants an expansion into other communities, and this measure will appropriate moneys to assist in the implementation of those programs.

Your Committee has amended this measure to remove Hawaii Community Foundation as the grant recipient. Instead, the Department of the Attorney General will be the expending agency and will chair the program's steering committee. Further, the program will receive funds only after establishing an account specifically for legislative appropriations, federal funds, and private contributions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3048, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 2210 Judiciary and Hawaiian Affairs on S.B. No. 3104

The purpose of this measure is to provide comprehensive public funding for candidates seeking election to office in the state house of representatives who voluntarily agree to abide by campaign contribution and campaign expenditure limits and meet other criteria.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, a council member from the Hawaii County Council, Advocates for Consumer Rights, First Unitarian Church, Green Party of Hawaii, Hawaii Clean Elections Coalition, Hawaii Coalition for Good Government, League of Women Voters of Hawaii, Parents and Children Together, Sierra Club Hawaii Chapter, and twelve private individuals. Testimony opposing this measure was submitted by the State Campaign Spending Commission. Comments regarding this measure were also submitted by the Mayor of the County of Hawaii.

Your Committee finds that many citizens feel a growing sense of frustration with our election process because of the practices of soliciting, raising, and spending large private campaign contributions. Also, reliance on private contributions make it difficult for individuals without access to large private contributions to participate meaningfully in the electoral process. Your Committee believes this measure will begin to address some of these issues by evening out the playing field for all candidates, whether they are privately or publicly funded.

Your Committee has amended this measure by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3104, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 2211 Judiciary and Hawaiian Affairs on S.B. No. 3198

The purpose of this measure is to amend current election laws and amend Hawaii election campaign operational funding.

Testimony in support of this measure was submitted by the Campaign Spending Commission, Advocates for Consumer Rights, First Unitarian Church, Hawaii Clean Elections Coalition, Hawaii Coalition for Good Government, League of Women Voters, Sierra Club Hawaii Chapter, and nine individuals.

Your Committee finds that there is a need to revise the current election campaign contributions and expenditures law, and these changes will be accomplished through this measure by:

- (1) Deleting the Campaign Spending Commission's power to censure candidates failing to abide by the code of fair campaign practices, pursuant to the court ruling that this provision is unconstitutional;
- (2) Prohibiting campaign donations in cash over \$100;
- (3) Prohibiting government contractors from making political contributions prior to the availability of and after the completion of a contract; and
- (4) Requiring the Campaign Spending Commission's operational funding to be funded by an annual appropriation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3198 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 2212 (Joint) Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations on S.B. No. 2138

The purpose of this measure is to create an automobile theft prevention authority to prevent, combat, and reduce car thefts.

Testimony in support of this measure was presented by the National Insurance Crime Bureau. Testimony in opposition of this measure was submitted by the Hawaii Insurers Council and State Farm.

Your Committees believe that this measure will provide a proactive approach to curbing automobile-theft problems. Specifically, in 2002, Hawaii was ranked twenty-fifth in the nation per capita for automobile thefts. A total of nine thousand nine hundred ten automobiles were reported stolen, and only about fifty-six percent of those were recovered. The automobiles that were not recovered have cost Hawaii residents and insurance companies over \$25,000,000.

To combat similar problems in Michigan, an automobile theft prevention authority was created in 1985. Since then, Michigan has had success in controlling and reducing automobile thefts, and twelve other states have enacted similar legislation. As a result of the lower theft rates, states such as Michigan have had success in controlling rising automobile insurance costs. Hawaii needs similar legislation to curb its car theft rates.

Your Committees also noted in testimony submitted after the hearing that there is a concern regarding this measure. Specifically, the concern is regarding double charges for insured drivers. The measure states that an assessed fee will be charged once for vehicle registration and again for automobile insurance. For uninsured drivers, this fee will be assessed only once. Your Committee noted that the testimony suggests that the fee should be charged only during vehicle registration.

However, because of the late submittal of this testimony, your Committees could not respond to these concerns. However, your Committees recommend that this issue be addressed again before the Ways and Means Committee.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2138 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

SCRep. 2213 Judiciary and Hawaiian Affairs on S.B. No. 2748

The purpose of this measure is to require, rather than just permit, the payment of drug demand reduction assessments (DDRA).

Specifically, this measure:

- (1) Adds offenses that require an offender to pay the DDRA;
- (2) Requires restitution, probation, and crime victim compensation fees to be paid prior to any monetary assessment; and
- (3) Places the burden on the offender to show an inability to pay fees.

Testimony in support of this measure was submitted by the Department of Health; State Crime Victim Compensation Commission; the Department of the Prosecuting Attorney, City and County of Honolulu; Honolulu Police Department; and Hawaii Substance Abuse Coalition. Comments on this measure were also submitted by the State Judiciary.

Your Committee finds that the main purpose of the DDRA is to supplement the funding for drug treatment and other drug demand reduction programs. It seems fair and right that those who violate drug laws, by distributing or using illegal narcotic drugs, should be required to contribute to programs that treat drug users and try to prevent the illegal use of drugs in our community.

Thus, the purpose of this bill is not to impose a fine, or to exact punishment on persons convicted of drug offenses. Rather, the DDRA is a remedial measure, intended to help correct the evils of drug abuse and addiction for which the convicted defendant is partly responsible.

Your Committee adopted the amendments suggested by the Prosecutors' office. Specifically, corrections based on section 712-1257, Hawaii Revised Statutes, are exempt from the scope of the DDRA.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2748, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2748, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 2214 Judiciary and Hawaiian Affairs on S.B. No. 2834

The purpose of this measure is to appropriate funds to satisfy claims for legislative relief, judgements against the State, settlements, and miscellaneous claims.

Testimony in support of this measure was submitted by the State Attorney General.

Your Committee finds that this measure contains twenty-nine claims that total \$6,399,988.10. Of this total, \$5,540,571.98 are general fund appropriation requests and \$859,416.12 are appropriation requests from various departmental funds. As such, your Committee believes that these appropriations are necessary to satisfy claims for legislative relief, judgements against the State, settlements, and miscellaneous claims.

Your Committee adopted the recommendation of the State Attorney General by amending section 5 of the bill to amend:

- (1) The named department from education to "business, economic development, and tourism/Hawaii tourism authority"; and
- (2) The "Tourism Special Fund (BED 113)" to "Tourism Special Fund (BED 113TO)."

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2834, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2834, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 2215 Judiciary and Hawaiian Affairs on S.B. No. 2835

The purpose of this measure is to:

- (1) Allow the Attorney General to retain 33.3 percent of all moneys recovered from any civil action initiated by the Attorney General in the litigation deposits trust fund up to \$1,000,000, and require all moneys deposited into that fund in excess of \$1,000,000 to lapse into the general fund at the end of the fiscal year; and
- (2) Include all moneys recovered from false-claim actions under section 661-22, Hawaii Revised Statutes, to be included in the litigation deposits trust fund.

Testimony in support of this measure was submitted by the State Attorney General and two individuals.

Your Committee finds that currently the Attorney General's litigation fund is used primarily to defend actions. Any major civil actions initiated by the Attorney General usually requires a supplemental request for funds or the retention of a special deputy who

would handle the litigation on a contingent fee basis. This hurdle in obtaining the necessary funding to prosecute a case delays its initiation since, without funding, it is impossible to hire the requisite staff to investigate the case.

Further, cases prosecuted with this funding will not overlap the cases currently handled by the Tobacco Enforcement Special Fund, the Antitrust Trust Fund, or the Medicaid Investigations Recovery Fund. Rather, the moneys appropriated will be used to pursue false claims filed with the State, collection cases initiated on behalf of the State, government fraud, and enforcement actions.

Your Committee believes that this measure will help eliminate some of the response problems the Attorney General faces by enabling the department to hire necessary staff, experts, and training.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2835 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 2216 Judiciary and Hawaiian Affairs on S.B. No. 2840

The purpose of this measure is to prohibit the distribution of untaxed cigarettes via telephone, mail order, the Internet, or other on-line sources.

Testimony in support of this measure was submitted by the Attorney General, American Heart Association, American Lung Association, Hawaii Food Industry Association, and Coalition for a Tobacco Free Hawaii.

Your Committee finds that due to this State's high cost of cigarettes, smokers are gravitating toward telephone, mail, Internet, and other on-line cigarette purchases. These unregulated sources for cigarettes are resulting in a loss of revenue to the State and a source for minors to purchase cigarettes.

Your Committee believes that this measure will help in preventing further revenue loss and underage purchases by:

- (1) Adding a new section to include sources of cigarettes that currently evade the payment of state cigarette taxes;
- (2) Clarifying the current law to provide more measures to regulate cigarette sales and provide criminal sanctions for non-compliance; and
- (3) Requiring an external notice to be placed on the shipping container stating that this State prohibits the sale of cigarettes to minors and that the buyer is responsible for paying all applicable state taxes.

Your Committee has amended this measure by changing the effective date for this measure to July 1, 2004 and making other technical, non-substantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2840, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2840, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 2217 Judiciary and Hawaiian Affairs on S.B. No. 2841

The purpose of this measure is to require retail sellers of tobacco products other than cigarettes be holders of a valid retail tobacco permit by July 1, 2005.

Testimony in support of this measure was submitted by the State Attorney General, American Heart Association, Hawaii Food Industry Association, Coalition for a Tobacco Free Hawaii, and American Lung Association.

Your Committee finds that currently there are no permitting or licensing requirements for retailers of tobacco products. Retail permitting or licensing for the sale of tobacco products is common in many other jurisdictions. Within the United States, forty states already have some form of permitting requirement for tobacco products. In some jurisdictions, these types of record-keeping requirements have helped law enforcement with illegal smuggling of tobacco. Your Committee believes that this measure will also help deter illegal purchases of tobacco products and the sale of tobacco products to minors through criminal sanctions and suspensions and revocations of permits and licenses.

Your Committee has amended this measure to:

- (1) Clarify section 245-A(d), which is added to the Hawaii Revised Statutes by section 1 of the bill, to require separate retail tobacco permits for each place of business and to require a retailer to submit only one application for more than one permit in section 1; and

- (2) Add a new subsection to outline a good cause exception for tobacco licenses as provided for retail tobacco permits in section 4.

Your Committee also made technical, non-substantive amendments. As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2841, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2841, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 2218 (Joint) Judiciary and Hawaiian Affairs and Labor on S.B. No. 2975

The purpose of this measure is to change the two part-time board members of the Hawaii paroling authority to full-time board members.

Testimony in support of this measure was submitted by the Department of Public Safety, Hawaii Paroling Authority, and Government Efficiency Teams, Inc.

Your Committees find that currently, only the Chair of the Hawaii Paroling Authority is a full-time board member. There are two part-time board members, and since the inception of the paroling authority in 1976, the board-member status has not changed.

Since 1980, the parole population has grown from 437 to 2,622 in 2003. Likewise, the number of parole-related hearings has increased from approximately 350 to 2,936. Thus, your Committee believes that changing the two part-time positions to full-time status will aid the paroling authority in effectively and efficiently performing their duties.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2975 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2219 Judiciary and Hawaiian Affairs on S.B. No. 3098

The purpose of this measure is to clarify the purposes of the Kikala-Keokea housing revolving fund, authorize the issuance of general obligation bonds, and appropriate moneys to fund the Kikala-Keokea housing revolving fund.

Testimony in support of this measure was submitted by the Hawaii County Economic Opportunity Council, Na Ohana O Kalapana, and one individual. Testimony in opposition to this measure was submitted by the Housing and Community Development Corporation of Hawaii.

Your Committee finds that since homes in Kalapana were destroyed, the legislature has enacted several laws to help Kalapana families to maintain their heritage on ceded lands in the Kikala-Keokea homestead. As a result, a project for infrastructure installation in Kikala-Keokea was initiated, and the installation will be completed later this year.

With the completion of the infrastructure, leaseholders will be able to start construction of their homes. However, the Kikala-Keokea housing revolving fund still needs to be more adequately funded, and the purpose of the fund needs to be better clarified. Your Committee believes this measure will adequately accomplish both of these goals.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3098 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 2220 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 3101

The purpose of this measure is to propose an amendment to article II, section 5, of the Constitution of the State of Hawaii to allow full public financing of campaigns for public offices of the State and its political subdivisions.

Testimony in support of this measure was submitted by the Advocates for Consumer Rights, First Unitarian Church, Hawaii Clean Elections Coalition, Hawaii Coalition for Good Government, Hawaii Public Access Media, League of Women Voters, and seven private individuals. The State Campaign Spending Commission submitted comments on the proposed amendment.

Your Committee finds that there are public concerns about the private financing of election campaigns in Hawaii. Recent campaign donation scandals have highlighted a "pay to play" system among government contractors who feel they must donate to state and county executives to be considered for contracts. Current law allows for partial funding. This amendment will allow full funding. Your Committee believes this measure will help to address some of these concerns and take steps to restore the public's confidence in democracy.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3101 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Kawamoto). Excused, 1 (English).

SCRep. 2221 Commerce Consumer Protection and Housing on S.B. No. 2140

The purpose of this measure is to prohibit the issuance of gift certificates with expiration dates and subject to inactivity fees.

The Department of Commerce and Consumer Affairs and Department of Budget and Finance presented comments on the measure. Retail Merchants of Hawaii, Legislative Information Services of Hawaii, and Tiki's Grill and Bar, LLC, opposed the measure.

Current law requires that gift certificates be valid for a minimum two-year period and provides that gift certificates unredeemed upon their expiration dates be distributed to the State as abandoned property. This measure prohibits the expiration of gift certificates, and, therefore, provides that unredeemed gift certificates do not constitute abandoned property. The prohibition on expiration dates does not apply to donated gift certificates, which are permitted to expire after two years. This measure also prohibits dormancy fees and other charges assessed against a gift certificate for inactivity.

Your Committee finds that this measure raises several concerns, including those relating to the imposition of additional regulations and costs upon businesses, and retailers being allowed to retain the proceeds of unredeemed certificates that will no longer escheat to the State.

Your Committee further finds that the Department of Commerce and Consumer Affairs and the Retail Merchants of Hawaii have been engaged in ongoing discussions to resolve the concerns of consumers and retailers about gift certificates, and that the concerns raised herein should be included in those discussions.

Therefore, your Committee has amended this measure by inserting therein a delayed effective date of July 1, 2030, to facilitate further review and discussion. Additionally, your Committee amended this measure to:

- (1) Allow a donated gift certificate to contain an expiration date, without limitation; and
- (2) Reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2140, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

SCRep. 2222 Commerce Consumer Protection and Housing on S.B. No. 2242

The purpose of this measure is to create an exemption from the general excise tax for any management company that contracts to provide managerial and operational services to related companies that engage in the provision of medical services in order to facilitate the creation of an employee stock ownership plan (ESOP).

Testimony in support of this measure was submitted by the Legislative Information Services of Hawaii and the Clinical Laboratories of Hawaii, LLP. Testimony in opposition to this measure was submitted by the Department of Taxation. The Tax Foundation of Hawaii also offered comments on the measure.

An ESOP is an organized employee benefit plan operating through a trust that accepts tax-deductible contributions from the company to accumulate company stock, which is then allocated to accounts for individual employees. Establishing an ESOP benefits the company and the economy by giving employees a financial and psychological stake in the company, which makes them more likely to perceive that their work impacts the company and, therefore, their own personal interests.

Your Committee finds that under the current law, amounts received by a management company from related entities providing medical services for wages, salaries, payroll taxes, insurance premiums, and benefits are not exempt from the general excise tax. Accordingly, a medical corporation that cannot distribute shares of the company to all employees, because the shares can only be owned by licensed physicians, but could establish an ESOP and transfer its employees to a related entity and then lease back those employees to the medical corporation, would be subject to the general excise tax for employee wages, salaries, taxes, and benefits. Therefore, such entities are discouraged from establishing ESOPs because of the increased tax burden that can result, which inures to the detriment of the employees.

Your Committee determines that the exemption from this tax burden will promote the utilization of ESOPs which can in turn spur increased productivity, shareholder returns, and innovation. Furthermore, your Committee notes that revenues to the State will not be adversely affected as a result of this measure in that previously entities were being deterred from establishing ESOPs, and thus they were not currently paying any ensuing general excise tax on employee wages, salaries, taxes, or benefits.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2242 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

SCRep. 2223 Commerce Consumer Protection and Housing on S.B. No. 2297

The purpose of this measure is to prohibit tenants and their guests from engaging in illegal drug activity and to facilitate the eviction of tenants who violate this prohibition.

The Hawaii Association of Realtors and an individual testified in support of this measure. The Housing and Development Corporation of Hawaii (HCDCH) opposed the measure.

This measure broadens the definition of "tenant" in the Residential Landlord-Tenant Code (Code) to include guests thereof, prohibits tenants from engaging in illegal drug activity, allows a landlord to bring summary eviction proceedings against a tenant engaged in illegal drug activity without first providing an opportunity to cure the noncompliance, and permits the use of a government document regarding proscribed drug-related activities to make a prima facie case of noncompliance under the Code.

Your Committee finds that expanding the definition of "tenant" to include a tenant's guests may result in the disqualification of persons for affordable housing who would otherwise be eligible. Tenants assisted under the Rental Housing System, Low Income Housing Tax Credit, Rental Housing Trust Fund, and Hula Mae Multi-Family Programs must meet eligibility criteria, including income and asset limits. Since under this measure, guests would also be subject to the eligibility requirements, consideration of the guest's income and assets, in addition to those of the tenant, may result in the disqualification of the tenant for affordable housing. In order to avoid unintended consequences that adversely affect tenants of affordable housing, your Committee respectfully requests that the Committee on Judiciary and Hawaiian Affairs, in its deliberations on this measure, further examine this issue.

Your Committee has amended this measure to make technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2297, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

SCRep. 2224 Commerce Consumer Protection and Housing on S.B. No. 2704

The purpose of this measure is to require the disclosure of a release or waiver of liability for a construction defect on the part of a seller of residential real property.

The Association of Apartment Owners of Lilipuna Condominiums, the Association of Apartment Owners of Waiiau Gardens Kai-D, and five individuals testified in support of the measure.

Your Committee finds that this measure is designed to protect prospective purchasers of residential real property by providing them with relevant information necessary for these consumers to make informed decision regarding the purchase of residential real property. As such, this measure will equalize the bargaining power between sellers and prospective buyers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2704 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2225 Commerce Consumer Protection and Housing on S.B. No. 2708

The purpose of this measure is to exempt Roth individual retirement accounts (IRAs) from the claims of creditors for attachment, execution, seizure, bankruptcy or insolvency laws under 11 U.S.C. §522(b), or any legal process.

Testimony in support of this measure was submitted by a private citizen. Comments on this measure were also submitted by the Department of Taxation.

Your Committee finds that IRAs are valuable financial tools for retirement planning. Both traditional and Roth IRAs allow individuals to enjoy the benefit of tax-deferred growth on their retirement savings year after year. Each type of IRA is utilized differently depending upon an individual's current situation and future needs. However, under the current law, although traditional IRAs are entitled to protection from creditors, pursuant to section 651-24, Hawaii Revised Statutes, it is unclear whether Roth IRAs are afforded the same protection. Therefore, your Committee determines that due to the comparable nature of these types of retirement

accounts, clarification within the law is necessary to specifically exclude Roth IRAs from the claims of creditors for attachment, execution, seizure, bankruptcy or insolvency laws under 11 U.S.C. §522(b), or any legal process.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2708 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

SCRep. 2226 Commerce Consumer Protection and Housing on S.B. No. 2798

The purpose of this measure is to exempt housing cooperatives, planned community associations, and condominium associations from civil liability arising out of tortious acts committed by intoxicated underage drinkers.

The Mililani Town Association and Community Associations Institute, Hawaii Chapter testified in support of the measure. The Consumer Lawyers of Hawaii opposed the measure.

Under the State's social host liability law, a person twenty-one years or older who owns, occupies, or controls premises on which alcohol is consumed by persons under age twenty-one, who knows of such consumption, and who reasonably could have prevented such consumption shall be liable for injuries or damages caused by the underage drinker. This measure proposes to exempt housing cooperatives, planned community associations, and condominium associations from this liability.

Your Committee finds that community associations generally adopt rules governing the use of their recreational facilities that include a total prohibition against the serving of alcohol or against minors consuming alcohol. However, community associations are unable to monitor the actions of all persons on their premises at all times, and exercise a much lesser degree of control over persons on their property than homeowners or business establishments. The exemption in this measure would help to limit a community association's liability exposure and protect assets held by the association for the benefit of all homeowners.

While your Committee acknowledges the concerns of community associations regarding their potential liability under the social host liability law, your Committee notes that the law requires a high standard of proof before a party can be held liable and that an association that lacks knowledge of unauthorized drinking on its premises is not subject to liability. Further, it is uncertain whether this measure would effectively preclude an injured party from obtaining relief against a community association because no alternative remedy lies under the common law.

Finally, your Committee notes that no testimony was received from the Mothers Against Drunk Driving (MADD), which supported and was instrumental in the enactment of the original law, and that the organization's input on this substantive amendment to the law would assist the legislature in its deliberations.

In light of the above concerns, your Committee concludes that this measure merits further review and discussion. In order to facilitate the measure's further consideration, your Committee has inserted therein a delayed effective date of July 1, 2030.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2798, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2227 Commerce Consumer Protection and Housing on S.B. No. 2838

The purpose of this measure is to provide the Attorney General with oversight authority over public benefit corporations.

The State Attorney General testified in support of this measure.

In 2001, Hawaii adopted the Revised Model Nonprofit Corporation Act (Model Act), but the Model Act's provisions relating to oversight of nonprofit corporations organized for charitable or educational purposes, also known as "public benefit corporations", were not included. This measure adopts those provisions, providing the Attorney General with statutory authority to supervise and, where necessary, enforce the law against the approximately 3,500 public benefit corporations organized in Hawaii.

Among other things, this measure:

- (1) Requires notice to the Attorney General of judicial proceedings, mergers, intent to dissolve, and the sale of substantially all of a public benefit corporation's assets;
- (2) Establishes requirements for a merger of public benefit corporations;
- (3) Allows the Attorney General to challenge a public benefit corporation's power to act in a proceeding brought against a director, officer, or employee;

- (4) Allows the Attorney General to seek the removal of a corporate director for breach of fiduciary duty, fraud, gross abuse of authority, and on other grounds; and
- (5) Establishes guidelines for the post-dissolution distribution of a public benefit corporation's assets in the absence of requirements in the corporation's articles or bylaws.

Your Committee finds that this measure will provide the Attorney General with the necessary authority and tools to ensure that the charitable assets of public benefit corporations are being appropriately used and applied.

Your Committee has amended this measure to:

- (1) Include a Model Act provision that allows the approval of a transaction in which a director has a conflict of interest if the transaction is approved by the Attorney General prior to or after its consummation; and
- (2) Reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2838, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2838, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

SCRep. 2228 Commerce Consumer Protection and Housing on S.B. No. 2881

The purpose of this measure is to authorize the Department of Commerce and Consumer Affairs (DCCA) to administratively adjust all of the fees and nontax revenues administered by the Department to align revenue collections with expenditures.

The DCCA, Department of Business, Economic Development, and Tourism, Retail Merchants of Hawaii, and The Chamber of Commerce of Hawaii testified in support of the measure.

Your Committee finds that the Public Meetings and Records Law authorizes DCCA to administratively adjust some, but not all, of its fees and nontax revenues in order to maintain a reasonable relationship between revenues generated and the cost or value of services rendered by the department. This inconsistency in the law has hampered the department's ability to effect overall fee adjustments and to expeditiously adjust fees to comply with revised reserve level policy requirements.

This measure extends the authority to adjust fees and nontax revenues to all fees and nontax revenues administered by DCCA. Your Committee finds that this measure will enable the department to respond in a timely fashion to changing economic conditions and consumer demands and to keep revenue collections relatively aligned with expenditures. Existing safeguards in the form of a cap on the amount of the adjustment and approval by the Governor prevent abuse of this authority.

Your Committee has amended this measure to require DCCA to report annually to the Legislature on fee adjustments made during the preceding fiscal year.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2881, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

SCRep. 2229 Commerce Consumer Protection and Housing on S.B. No. 2890

The purpose of this measure is to allow for the payment of a flat fee for physicians who participate on an external review panel.

The Department of Commerce and Consumer Affairs and Kaiser Permanente testified in support of the measure.

Your Committee finds that this measure ensures adequate participation by qualified physicians on external review panels that review health coverage disputes. Further, the cost of paying these fees is not expected to be significant as these external review panels meet less than twenty-five times a year.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2890 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

SCRep. 2230 Commerce Consumer Protection and Housing on S.B. No. 2891

The purpose of this measure is to allow all holders of professional and vocational licenses to go on inactive status without a fee and to pay a reduced license renewal fee if the licensee elects to renew that inactive status.

The Department of Commerce and Consumer Affairs and the National Association of Social Workers, Hawaii Chapter testified in support of the measure.

Your Committee finds that this measure is designed to not only simplify, but also make uniform the process for license renewal. This measure also gives licensees in a number of profession's the option of retaining their licenses at a lesser cost should they choose to go inactive, an option not presently available to them.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2891 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

SCRep. 2231 Commerce Consumer Protection and Housing on S.B. No. 2904

The purpose of this measure is to update the laws governing the licensing and regulation of escrow depositories.

The Department of Commerce and Consumer Affairs testified in support of the measure. Hawaii Resort Escrow, Inc. submitted comments on the measure.

This measure comprehensively updates the laws governing the licensing and regulation of escrow depositories which were enacted over thirty years ago. Among other things, this measure:

- (1) Allows limited liability companies to be licensed as escrow depositories;
- (2) Strengthens confidentiality requirements, consistent with standards applicable to state-regulated financial institutions;
- (3) Authorizes criminal background checks and the fingerprinting of escrow depository officers and directors;
- (4) Increases bonding requirements;
- (5) Requires the disclosure of potential risks to customers of escrow depositories that are eligible to deposit escrow funds in sweep accounts;
- (6) Establishes procedures for receivership; and
- (7) Simplifies the process for voluntary termination of an escrow depository.

Your Committee finds that the amendments proposed in this measure reflect current industry practices, reduce the regulatory burden on businesses, and provide for greater regulatory flexibility while ensuring consumer protection.

Your Committee has amended this measure for purposes of clarity and to reflect preferred drafting style, and to specify that the appropriation section shall take effect on July 1, 2004.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2904, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2904, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

SCRep. 2232 Commerce Consumer Protection and Housing on S.B. No. 2906

The purpose of this measure is to repeal filing fees charged for the issuance of certificates of good standing.

The Department of Commerce and Consumer Affairs, the Retail Merchants of Hawaii, and the Chamber of Commerce of Hawaii testified in support of the measure.

Your Committee finds that this measure will lower the cost of doing business in Hawaii and create a business-friendly atmosphere that will attract new businesses to Hawaii. Further, this measure will encourage and reward companies that conduct business in accordance with the law and applicable business regulations.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2906 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

SCRep. 2233 Commerce Consumer Protection and Housing on S.B. No. 2907

The purpose of this measure is to adjust the filing fees charged for business registration filings with the Business Registration Division of the Department of Commerce and Consumer Affairs.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs (DCCA), the Department of Business, Economic Development, and Tourism, Retail Merchants of Hawaii, and the Chamber of Commerce of Hawaii.

Your Committee finds that Section 60 of Act 200, Session Laws of Hawaii 2003, directed the DCCA to analyze and report its methods to align its expenditures with its special fund revenues collections. In December of 2003, the DCCA submitted a report to the Legislature that outlined its proposal to reduce its surplus revenues, which included the reduction of fees for business registration filings. The DCCA has also represented that it can decrease its current fee schedules without sacrificing its ability to provide effective and efficient service to the public.

Your Committee further finds that any efforts to decrease the costs of doing business in Hawaii will support a business-friendly climate that will allow existing companies to prosper and also encourage new organizations to enter the marketplace. Furthermore, these efforts will act to reinforce and reaffirm the State's commitment to economic recovery in Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2907, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2907, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

SCRep. 2234 Commerce Consumer Protection and Housing on S.B. No. 2911

The purpose of this measure is to authorize payment to advisory committee members for each consultation or case review completed during the investigation of an alleged licensing law violation.

The Department of Commerce and Consumer Affairs and the Hawaii Association of Realtors testified in support of this measure.

Your Committee finds that this measure recognizes the importance of advisory committees and the committee members who contribute their time and expertise in conducting prompt and important investigations of licensing complaints. Further, the expense of reimbursing committee members is minimal and will not negatively impact the functions of the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2911 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

SCRep. 2235 Commerce Consumer Protection and Housing on S.B. No. 2924

The purpose of this measure is to authorize the Housing and Community Development Corporation of Hawaii (HCDHC) to evict, through a judicial process, tenants in violation of their rental agreement.

Testimony in support of this measure was submitted by the HCDCH, the Honolulu Police Department, the Hawaii County Police Department, the Maui County Police Department, and a private citizen.

Your Committee finds that Hawaii is currently experiencing a statewide shortage of low-income housing rentals. Your Committee further finds that in 2003, the waiting lists for low rent public housing included nearly 19,000 families, while HCDCH manages only somewhere in excess of 6,500 public housing units within the State. Therefore, the public housing program must be efficiently managed to attempt to accommodate the need for housing for these families. As of June 30, 2003, 182 tenants had been referred for eviction, 139 of which were referred due to non-payment of rent. Under the current law, the public housing eviction process permits violating tenants to remain in public housing for over twelve months.

Your Committee determines that it is crucial to modify the current public housing eviction process in order to make public housing units available more expeditiously for those families on the waiting lists. The institution of a streamlined process for public housing eviction that is equivalent to the eviction process provided to low-income families renting units in the private marketplace, which also provides for grievances procedures, will increase efficiency while continuing to safeguard a tenant's due process rights.

Your Committee has amended this measure by making technical changes to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2924, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2924, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2236 Commerce Consumer Protection and Housing on S.B. No. 2925

The purpose of this measure is to make trespass on public housing property punishable as criminal trespass in the second degree.

The Housing and Community Development Corporation of Hawaii, Honolulu Police Department, Hawaii County Police Department, and Kauai County Anti-Drug Coordinator testified in support of this measure.

Currently, the police lack the authority to place persons trespassing on public housing property under physical arrest. This measure provides that authority by making such acts punishable under the penal code as criminal trespass in the second degree. Your Committee finds that this measure will help to curb loitering, drug and liquor violations, and vandalism in public housing projects.

Your Committee has amended this measure by making technical amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2925, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2925, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2237 Commerce Consumer Protection and Housing on S.B. No. 2926

The purpose of this measure is to increase the bond authorization amount for tax exempt revenue bonds in order to finance the development or renovation of affordable rental housing projects.

The Housing and Community Development Corporation of Hawaii and the City and County of Honolulu testified in support of the measure.

Your Committee finds that increasing the bond authorization amount would enable the Hula Mae Multi-Family Housing Program to move forward with necessary construction and renovation of affordable housing projects. Increased construction and renovation of housing units will help to alleviate the severe shortage of affordable housing throughout the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2926 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2238 (Joint) Commerce Consumer Protection and Housing and Transportation, Military Affairs, and Government Operations on S.B. No. 2927

The purpose of this measure is to strengthen foreclosure notification requirements for government-assisted affordable housing properties subject to buyback restrictions, clarify the priority of a housing agency's liens in a foreclosure, and authorize a housing agency to purchase a foreclosed property by credit bid at public auction.

Testimony in support of this measure was submitted by the Housing and Community Development Corporation of Hawaii (HCDCH), Maui County Department of Housing and Human Concerns, Kauai County Housing Agency, and Department of Budget and Fiscal Services of the City and County of Honolulu. The Mortgage Bankers Association of Hawaii submitted comments on the measure.

Affordable housing properties sponsored or assisted by the HCDCH and county housing agencies are subject to buyback restrictions that provide the agencies with the first option to purchase the property if title to the property is to be transferred from the original purchaser. Your Committees find that in recent foreclosures initiated by predatory lenders, the agencies have not been provided with prior notice of impending nonjudicial foreclosure sales, thereby precluding them from determining whether a buyback is warranted in order to preserve the stock of affordable housing. This measure clarifies that any intent of the mortgagee to foreclose the mortgage requires thirty-day prior written notice to the housing agencies.

In addition to buyback restrictions, government-assisted properties are subject to liens in favor of the agencies for shared appreciation equity, excess proceeds in lieu of buyback, and deferred sales price. In order to protect the housing agencies' rights to recover the value of these liens in a nonjudicial foreclosure, this measure clarifies that the above liens are priority liens.

Finally, this measure authorizes the housing agencies to offer a credit bid at auction in instances where an agency's shared appreciation equity lien is in second position and the mortgagee who is in first position files a nonjudicial foreclosure. Your Committees find that this measure will enable the housing agencies to better fulfill their mission to provide affordable housing for low and moderate income families in the State.

Your Committees have amended this measure by making technical amendments to reflect preferred drafting style and to insert missing statutory language.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2927, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2927, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Ige, Kanno, Kim, Sakamoto).

SCRep. 2239 Commerce Consumer Protection and Housing on S.B. No. 3146

The purpose of this measure is to establish uniform procedures and requirements for the representation of student athletes by athlete agents.

The Hawaii Commission on Uniform State Laws testified in support of this measure. The Department of Commerce and Consumer Affairs commented on the measure.

This measure adopts the Uniform Athletes Agent Act which provides for the regulation of athlete agents who represent student athletes. Under the proposed regulatory scheme, a person is prohibited from acting as an athlete agent in this State without a certificate of registration issued by the Department of Commerce and Consumer Affairs. Agency contracts offered by athlete agents must comply with statutory requirements, including disclosure requirements, or are voidable by the student athletes. Additionally, the measure imposes recordkeeping requirements, proscribes certain acts, and establishes penalties and remedies for violations.

Your Committee notes that the proposed law, while regulatory in nature, is different from other regulatory schemes that would ordinarily require an Auditor's "sunrise" review before adoption. First, this measure, like the State's boxing laws which protect boxers, is designed to protect a narrow and specific group of persons, i.e., student athletes, rather than the general public. Additionally, this measure is not proposed to address existing problems in the industry, but to prevent future problems from arising by putting prospective athlete agents on notice regarding the requirements for practicing in this State. Therefore, your Committee finds that a "sunrise" review would not serve its intended purpose and is not warranted.

Your Committee has amended this measure to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3146, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

SCRep. 2240 Commerce Consumer Protection and Housing on S.B. No. 3194

The purpose of this measure is to appropriate funds for the Rx program.

The Department of Human Services, AARP Hawaii, and ILWU Local 142 testified in support of this measure.

The Rx program was established to make prescription drugs more affordable for Hawaii's residents through discounted prices. As this program is not a Medicaid program, no federal Medicaid funds are available to defray program costs. Therefore, this measure authorizes an appropriation of general revenues for the program.

Your Committee finds that the Department of Human Services requires approximately \$400,000 to develop and initiate implementation of the Rx program. Therefore, your Committee has amended this measure to insert an appropriation in that amount. Additionally, the measure has been amended to clarify the program's statutory authority.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3194, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

SCRep. 2241 Commerce Consumer Protection and Housing on S.B. No. 3225

The purpose of this measure is to establish the right of a policyholder who successfully enforces in arbitration the policyholder's right to benefits under an insurance policy to an award of attorney's fees and costs.

The Department of Commerce and Consumer Affairs and the Consumer Lawyers of Hawaii testified in support of the measure. State Farm Insurance Companies and the Hawaii Insurers Council opposed the measure.

Your Committee finds that arbitration offers a more efficient and less costly alternative to litigation to resolve liability disputes between policyholders and their insurers, and should, therefore, be encouraged. Your Committee further finds that current law contains a disincentive to dispute resolution through arbitration because it entitles policyholders to an award of attorney's fees and costs if they succeed in obtaining benefits in a lawsuit, but not if the same rights are held enforceable in arbitration. Further, the Hawaii Supreme Court has interpreted current law to limit such awards to judicial proceedings. This measure corrects this inequity by extending the policyholder's right to an award of attorney's fees and costs to arbitration actions.

Your Committee has amended this measure by deleting proposed language referencing arbitration and repealing existing language that limits fees and costs awards to orders obtained in a lawsuit. As amended, this measure clarifies that when an insurer contests its liability to pay benefits under a policy, and a policyholder or beneficiary is required to obtain the services of an attorney to obtain benefits under the policy in a contested proceeding, the insurer must pay the other party's reasonable attorney's fees and costs, in addition to the policy benefits. This obligation to pay reasonable fees and costs is not limited to lawsuits, but extends to arbitration.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3225, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3225, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

SCRep. 2242 Education on S.B. No. 1060

The purpose of this measure is to make an appropriation for a grant-in-aid to Hui Malama Learning Center for alternative education programs.

Your Committee received testimony in support of the measure from the Department of Education, Mayor of Maui County, Department of Education Central Maui Complex Area Superintendent, two staff members and thirty-five students of Hui Malama Learning Center

Your Committee finds that the Hui Malama Learning Center makes an important and enduring difference in the lives of Maui's at-risk youth, especially those young men and women who have either been dismissed from school or who have dropped out. Hui Malama is an integral part of Maui's community fabric, offering a range of alternative education and counseling programs that include G.E.D. Prep, Pre-G.E.D., High School Foundations/Basic Education, Homeschool Enrichment, and Academic Tutorials for students suspended from public schools. If not for Hui Malama, many of these youth would have nowhere to go and few prospects for the future. For thirty years, Hui Malama has consistently produced highly successful outcomes that have resulted in young men and women turning their lives around and contributing positively to their families and community.

Your Committee has amended the measure by:

- (1) Eliminating the provision for an appropriation for the fiscal year of 2003-2004; and
- (2) Changing the effective date from July 1, 2003 to July 30, 2004.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1060, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

SCRep. 2243 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.B. No. 2044

The purpose of this measure is to appropriate funds for the Junior Reserve Officers' Training Corps program at Waipahu High School.

Testimony in support of this measure was submitted by the Department of Education, Waipahu High School, the Career Center at Waipahu High School, and four private citizens.

Your Committees find that the Junior Reserve Officers' Training Corps program, established in 1916, is an enduring program that imparts upon our youth the important values of good citizenship, personal responsibility, and service to country. Your Committees

also find that participants are educated as to their roles as citizens and learn to develop their own sense of character, self-discipline, and leadership abilities, which serves to further enhance our communities. Therefore, your Committees find that the State should support the Junior Reserve Officers' Training Corps program at Waipahu High School with an appropriation of funds that will also be matched with federal funds.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2044 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Aduja, Kanno, Tsutsui, Hogue, Whalen).

SCRep. 2244 (Majority) Education on S.B. No. 2054

The purpose of this measure is to authorize schools to:

- (1) Assess and collect annual fees for textbooks; and
- (2) Require schools to compile annual list of textbooks to be used during that school year and to be made available upon request of student, or parent or guardian of student.

Your Committee heard testimony in support of the measure from the Department of Education and Hawaii State Teachers Association.

Your Committee finds that even when a school has enough textbooks for its students, sometimes it does not have enough to allow the students to take them home with them to use while doing homework. This measure would allow parents and guardians to purchase textbooks to ensure that their child has access to the textbook resources necessary for high academic achievement.

The measure would also authorize the principal or a designee to retain fees for lost, damaged, destroyed or broken textbooks and instructional materials. Authorizing principals to collect such fees would provide an incentive for students to take better care of the school's limited textbook resources.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2054 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Hogue). Excused, 2 (Chun Oakland, Menor).

SCRep. 2245 (Joint) Education and Health on S.B. No. 2056

The purpose of this measure is to designate the Auditor as an authorized representative of the Department of Education and Department of Health for purposes of accessing student records.

Your Committees received testimony in support of the measure from the Auditor. Your Committees received testimony in opposition to the measure from the Attorney General, Department of Education, Department of Health, Hawaii State Teachers Association, and Radford High School.

Your Committees find that the issue of confidentiality has prevented the Auditor from conducting a thorough review of concerns surrounding the provision of mental health services to Felix class students. This measure would facilitate the Auditor's work with the Joint Senate-House Investigative Committee to investigate the State's compliance with the Felix consent decree and related matters, which may continue for some time to come.

Your Committees have amended the measure by deleting the provision repealing the measure on June 30, 2005.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2056, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2056, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Chun Oakland, Inouye, Kawamoto, Menor).

SCRep. 2246 Education on S.B. No. 2057

The purpose of this measure is to appropriate funds for faculty positions at the University of Hawaii College of Education.

Testimony in support of this measure was submitted by the University of Hawaii, Department of Education, Hawaii State Teachers Association, and Good Beginnings Alliance.

Currently, our State is facing a shortage of qualified teachers. The Department of Education's need for new special education teachers each year is between three hundred and four hundred. This measure adds sixteen teachers for regular education and seven for

special education. The added funding in this measure will stabilize the university's Special Education Program and remove the dependency on the Department of Education's funding.

Your Committee finds that the Department of Education should not be expected to subsidize teacher preparation. Teacher preparation is a university responsibility and it is appropriate that the university be provided the resources necessary to address the need for special education teachers.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2057 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2247 Education on S.B. No. 2058

The purpose of this measure is to appropriate funding for Hawaii 3R's, a non-profit organization.

Your Committee received testimony in support of the measure from the Department of Education, Department of Accounting and General Services, Hawaii 3R's, Hawaii State Teachers Association, Hawaiian Electric Company, principal of Makakilo Elementary School, principal of Kaimuki High School, administrative services assistant of the Department of Education Mililani complex, Americas Promise Hawaii, American Society of Civil Engineers, Durus International Corporation, Chamber of Commerce of Hawaii, and Pacific Resource Partnership.

Your Committee finds that Hawaii 3R's has proven to have a tremendous impact upon Hawaii's public schools. Through its partnership with private industry, the military, and the community, Hawaii 3R's has saved the State money by completing repair and maintenance projects at our schools that ordinarily would be done exclusively with state funds and resources.

Your Committee has amended the measure by deleting the appropriation for the coordinator position in the Department of Accounting and General Services, as the department has committed in testimony to supporting the position from within its regular operating budget, and by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2058, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

SCRep. 2248 Education on S.B. No. 2062

The purpose of this measure is to appropriate funds for one educational officer position and one clerk position to increase the professional development and educational research institute's capacity to recruit and train principals and other educational officers for the Department of Education.

Your Committee received testimony in support of the measure from the Department of Education. Your Committee received comments from the Hawaii Government Employees Association.

Your Committee finds the current staff of the Professional Development and Educational Research Institute responsible for leadership development statewide is only one Educational Officer. In order to provide adequate and appropriate training for educational leaders, the Department of Education must expand its professional development opportunities, technical assistance, and training support.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2062 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2249 Education on S.B. No. 2063

The purpose of this measure is to hold public school students accountable financially for loss or damage to textbooks.

Your Committee received testimony in support of the measure from Department of Education and Hawaii State Teachers Association.

This measure would authorize the principal or a designee to retain fees for the loss, destruction, breakage, or damage of school textbooks, instructional materials, library books, equipment, or supplies. Authorizing principals to collect such fees would provide an incentive for students to take better care of the school's limited resources.

Your Committee has amended the measure by:

- (1) Expanding the definition of “textbooks and instructional materials” to include “textbooks, instructional materials, library books, equipment, or supplies” for the entire chapter; and
- (2) Eliminating requirements for rulemaking under chapter 91 in relation to accounts mentioned in the measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2063, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Menor).

SCRep. 2250 Education on S.B. No. 2065

The purpose of this measure is to:

- (1) Amend the definition of teacher to mean those who spend not less than 70% of their formal employment time in the direct classroom instruction of students;
- (2) Enhance teacher hiring certainty by requiring schools to finalize teacher hiring before the end of the fiscal year; and
- (3) Lower teacher-student ratios.

Your Committee received testimony in support of part of the measure from the Department of Education. Your Committee received testimony in opposition to the measure from the Hawaii Teacher Standards Board and Hawaii State Teachers Association.

Your Committee finds that the definition of teacher to mean those who spend not less than 70% of their formal employment time in the direct classroom instruction of students would force the Department of Education to create a new classification system for non-instructional specialty teachers and support personnel. It could also unfairly discriminate against those valuable employees who do not have instruction as a primary function, such as registrars, student services coordinators, school activity coordinators, school counselors, librarians, and resource teachers.

Your Committee further finds that small class size is a crucial element in achieving high academic achievement and holistic development among students. Nevertheless, the effort to place more teachers in the public educational system as mandated by this measure may cause the State undue fiscal hardship in a time when budgets must be kept trim.

Your Committee has amended the measure by eliminating the provisions to:

- (1) Amend the definition of teacher to mean those who spend not less than 70% of their formal employment time in the direct classroom instruction of students; and
- (2) Lower teacher-student ratios.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2065, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2065, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2251 Education on S.B. No. 2066

The purpose of this measure is to place the Hawaii Medical Education Special Fund under the control of the University of Hawaii administration.

Your Committee received testimony in support of the measure from the University of Hawaii.

Your Committee finds that, currently, none of the University of Hawaii’s special funds are established in the state treasury or administered independently. This measure would allow the Hawaii Medical Education special fund to be established and administered in a manner that is consistent with other University special funds.

Your Committee has amended the measure by adding a provision transferring control over the Hawaii Medical Education Special Fund from the Medical Education Council to the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2066, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2252 Education on S.B. No. 2067

The purpose of this measure is to appropriate matching funds for the National Science Foundation Experimental Program to Stimulate Competitive Research (EPSCoR) grant application.

The University of Hawaii submitted testimony in favor of the measure.

Since joining the EPSCoR in 2000, the university has received numerous grants. EPSCoR is viewed as a "model" federal/state/university partnership that helps researchers and institutions improve their research capacity by helping to make them more competitive in obtaining grants from federal, state, and private sector agencies. In three years, Hawaii has received approximately \$39 million in funding from the EPSCoR/Institutional Development Award program. Appropriating matching funds will continue the successful efforts of the university with EPSCoR.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2067 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2253 Education on S.B. No. 2072

The purpose of this measure is to place the center for nursing special fund under the control of the University of Hawaii.

Testimony in support of this measure was submitted by the University of Hawaii. The Board of Nursing submitted testimony in opposition to this measure.

Your Committee finds that this measure will facilitate the transfer and expenditure of funds to conduct the Center for Nursing's activities. Streamlining the funding process will assist with responding to address nursing workforce issues during this time of critical national and local nursing shortage.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2072 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2254 Education on S.B. No. 2108

The purpose of this measure is to appropriate funding to hire additional athletic health care trainers in Department of Education schools.

Your Committee received testimony in support of the measure from the Department of Education Athletic Health Care Trainers, Athletic Directors and Coaches Association, Hawaii Government Employees Association, Hawaii State Teachers Association, and athletic director of McKinley High School. Your Committee received testimony in opposition to the measure from the Department of Education.

Your Committee finds that through proper conditioning and strengthening, a player may decrease the chance of injury and maximize the player's full potential. Unfortunately, accidents happen. Response time is critical to reduce the pain and discomfort of an injury, and decrease the number of days spent on the sideline. Once stabilized, the athlete requires rehabilitation to return to play safely.

Your Committee further finds that, currently, the average ratio of athletes to athletic trainers is 532 to 1. The ratio of athletic teams to trainers is 42 to 1. Passage of this measure will improve the Department of Education's ability to provide proper preventative care, injury response, and injury rehabilitation to all injured athletes.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2108 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

SCRep. 2255 Education on S.B. No. 2111

The purpose of this measure is to appropriate funds for the establishment of new parent-community networking centers and for the further development of existing centers.

Your Committee received testimony in support of the measure from the student member of the Board of Education, Department of Education, Hawaii State Teachers Association, Good Beginnings Alliance, founder of the Ohana Project, eight parent-community networking center facilitators, twelve parent-community networking centers, two parents, and a private individual.

Your Committee finds that parent-community networking centers are critical to the systematic implementation of effective parent involvement strategies that relate to supporting student achievement as well as building strong families. The centers have a strong record of leading successful parent, school, and community partnerships at their respective sites. They are a highly cost-effective program and should be supported.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2111 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

SCRep. 2256 Education on S.B. No. 2112

The purpose of this measure is to provide a tax credit to public school teachers of \$500 for teachers with less than five years of experience and \$250 for teachers with five or more years of experience.

Your Committee received testimony in support of the measure from the Department of Education and Hawaii State Teachers Association. Your Committee received testimony in opposition to the measure from the Department of Taxation. Your Committee received comments from the Tax Foundation of Hawaii.

Your Committee finds that a modest tax credit for teachers could serve as one small component in a larger program designed to facilitate teacher retention, thereby lessening the teacher shortage. The size of the tax credit is also comparable to what virtually all teachers routinely spend out-of-pocket annually for such miscellaneous items as pencils, erasers, rewards, and other supplies for their classes. Such expenses are directly related to their work and should not come out of a teacher's hard-earned paycheck.

Your Committee has amended the measure by:

- (1) Clarifying that "experience" means experience in the Department of Education, as determined by the department; and
- (2) Clarifying that "teacher" means employees who spend not less than seventy per cent of their formal employment time in the direct classroom instruction of students; and
- (3) Changing the effective date to provide that the Act shall apply to taxable years beginning after December 31, 2003, rather than 2002.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2112, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2257 Education on S.B. No. 2113

The purpose of this measure is to appropriate funding for equipment, supplies, and transportation for Department of Education athletic programs.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii State Teachers Association, and Athletic Directors and Coaches Association.

Your Committee finds that inadequate funding for athletic equipment, supplies, and transportation requires high schools to annually raise approximately \$600,000 in order to support the purchase of these items for their athletic teams. This puts an unnecessary burden on schools, staff, students, and parents.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2113 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

SCRep. 2258 Education on S.B. No. 2114

The purpose of this measure is to appropriate funds to improve safety and security measures on the University of Hawaii campuses.

Testimony in support of this measure was submitted by the University of Hawaii, University of Hawaii Student Caucus, the Graduate Student Organization at the University of Hawaii Manoa, six board members and senators of the Associated Students of Maui Community College, one hundred seventy seven students of Maui Community College, a University of Hawaii Manoa student, and a former University of Hawaii student.

Your Committee finds that security is an increasing concern for the university. Currently, the university has been implementing new improved methods to address the safety issues on its campuses. Campuses like Manoa are employing student patrols to provide escorts for other students and installing alarms systems. The Hilo campus is upgrading its call box system and adding lighting to potential problem areas. This measure will assist in the university's efforts to provide its students with a safe educational environment and reduce reports of theft, burglaries, and assaults.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2114 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2259 Education on S.B. No. 2115

The purpose of this measure is to appropriate funding for an athletic health care trainer specialist coordinator in the Department of Education.

Your Committee received testimony in support of the measure from the Athletic Directors and Coaches Association, Department of Education Athletic Health Care Trainers, and athletic director of Hilo High School. Your Committee received testimony in opposition to the measure from the Department of Education.

Your Committee finds that athletic health care trainers could greatly benefit from having a full-time position dedicated to providing them with technical assistance, professional advice, and administrative guidance. This would facilitate the standardization of protocols for data collection on the quality of care for student athletes, analysis of injury and prevention for student athletes, staff development and training, budgeting and finance matters, personnel issues, and recruitment of future athletic health care trainers. At present, there are no exact courses of action for these unique problems.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2115 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

SCRep. 2260 Education on S.B. No. 2157

The purpose of this measure is to appropriate funding to hire additional career counselors for each Department of Education high school, based on school enrollment.

Your Committee received testimony in support of the measure from the Department of Education and Hawaii State Teachers Association. Your Committee received testimony in opposition to the measure from an individual.

Your Committee finds that with additional positions and operating funds, high schools will be able to reach additional students in areas of scholarship attainment, financial aid, and career selection, and provide the resources to enhance current programs such as GEAR UP, Upward Bound, and Running Start.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2157 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2261 Education on S.B. No. 2172

The purpose of this measure is to appropriate funds for full-time student activities coordinators in all public high schools.

Your Committee received testimony in support of the measure from the student member of the Board of Education, Hawaii State Teachers Association, Hawaii State Student Council, and Hawaii Secondary Student Conference. Comments were received from the Department of Education.

Your Committee finds that student activity coordinators are only paid for ten out of the twelve months that they work. They essentially volunteer countless hours during the summer months to plan numerous activities for their respective schools, activities that boost school spirit and provide vital alternatives to drugs, violence, and other criminal activities to today's youth. Although it is

gratifying to know that there are teachers in our public educational system that have so much aloha that they dedicate their free time to help support and provide for the youth, that does not justify the State's failure to compensate them for their services.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2172 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

SCRep. 2262 Education on S.B. No. 2175

The purpose of this measure is to create a trust fund to fund scholarships as a requirement of the State's participation in the federal Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP).

Your Committee received testimony in support of the measure from the Principal Investigator of GEAR UP of the University of Hawaii, the Director of Student Equity Excellence and Diversity of the University of Hawaii, the Department of Education, and the Hawaii State Teachers Association.

Your Committee finds that in September 2000, the University of Hawaii, on behalf of the State of Hawaii, received a five-year, \$10.2 million grant from the U.S. Department of Education's Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). The purpose of GEAR UP nationwide is to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. All GEAR UP state grants are required to have two major features: an early intervention component and a scholarship component. This measure would enable the University of Hawaii to satisfy the latter requirement.

Your Committee has amended the measure by removing its contents and replacing it with language provided by the University of Hawaii. This material is the same in intent as the original Act, but clarifies the legal background of the University of Hawaii as the administrator of the trust fund.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2175, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2175, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2263 Education on S.B. No. 2196

The purpose of this measure is to grant the University of Hawaii Board of Regents increased flexibility to construct and maintain university projects and other university purposes.

Your Committee received testimony in support of the measure from the University of Hawaii.

Your Committee finds that this measure will permit the University of Hawaii to:

- (1) Become more responsive in attending to capital projects benefiting the students, faculty, and staff of the University community; and
- (2) Enhance operating efficiencies.

Your Committee has amended the measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2196, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2196, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2264 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.B. No. 2199

The purpose of this measure is to appropriate funds for the establishment of a permanent military liaison position within the Department of Education.

Testimony in support of this measure was submitted by the Department of Education (DOE) and the Hawaii State Teachers Association.

Your Committees find that due to the sizeable military presence within the State, which has resulted in a significant number of military dependents in our public schools, efforts should be made to communicate and coordinate with the military community. Your Committees determine that the establishment of a permanent military liaison position within the DOE will enhance its efforts to promote and implement initiatives relevant to the military community, including Hawaii 3Rs and the Joint Venture Education Forum.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2199 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Aduja, Kanno, Tsutsui, Hogue, Whalen).

SCRep. 2265 Education on S.B. No. 2200

The purpose of this measure is to repeal the administrative rulemaking requirements for the Running Start Program.

The Department of Education submitted testimony in support of this measure.

Your Committee finds that the Department of Education and University of Hawaii need flexibility to establish mutually agreeable programs without compromising existing statutes and policies. Eliminating these rulemaking requirements will assist the department and university in their efforts to develop educational programs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2200 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2266 Education on S.B. No. 2201

The purpose of this measure is to:

- (1) Appropriate \$125,000 to the Department of Education to enable the parents of strong-willed or out-of-control adolescents to change their childrens' destructive behavior through effective prevention and intervention techniques; and
- (2) Require this activity (named the "parent project") to be administered by the Parent-Community Networking Center program.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii State Teachers Association, ten staff members with the Department of Education, Parent Project Administrator, fourteen Parent-Community Networking Centers, four parent facilitators from the Parent Project, two volunteers from the Parent Project, eight parents who participated in the Parent Project, and two individuals.

Your Committee finds that the Parent Program has been of enormous value in giving parents of strong-willed adolescents the tools they need to modify their children's self-destructive behavior. This provides a positive framework for the youth to reengage with their family, get back on track with school, and further their holistic development. The cost-effective, pragmatic program has pulled many youth back from the brink of self-destruction through substance abuse and criminal activity and given them no less than a whole new lease on life.

Your Committee has amended the measure by clarifying that the services provided by the Parent Project shall not be construed as counseling.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2201, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2267 Education on S.B. No. 2202

The purpose of this measure is to require that teachers receive their normal annual increment or longevity increase, as the case may be, for a year's satisfactory service in any fiscal year that an increase in the appropriate salary schedule is effected, except as provided by law.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii State Teachers Association, fifteen teachers, and two counselors. Your Committee received testimony in opposition to the measure from the Department of Budget and Finance.

Your Committee finds that annual incremental step movements are critical to keeping Hawaii's teachers' salaries competitive, facilitating teacher retention and lessening the teacher shortage.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2202 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2268 (Joint) Education and Human Services on S.B. No. 2222

The purpose of this measure is to:

- (1) Appropriate funds to the Bridge to Hope Program; and
- (2) Expand eligibility to include Temporary Assistance to Other Needy Families.

Your Committees received testimony in support of the measure from the University of Hawaii, Hawaii State Commission on the Status of Women, two staff members of the Bridge to Hope program, four students in the Bridge to Hope program, a former student of the Bridge to Hope program, Director of the University of Hawaii's Women's Center, Parents and Children Together, Planned Parenthood of Hawaii, National Association of Social Workers, 3Point, a member of the Women's Coalition, a graduate student in the University of Hawaii's School of Social Work, and an individual. Your Committees received comments on the measure from the Department of Human Services.

Your Committees find that involvement in the Bridge to Hope program meets students' Department of Human Services requirements for paid employment. According to the U.S. Census Bureau, a woman with a two-year Associate's degree earns 48% more than a woman with a high school diploma. A woman with a bachelor's degree earns almost double that of a woman without one. These percentages translate to real improvements in the quality of life for women and their families. The Bridge to Hope program makes these improvements possible for people in need.

Your Committees have amended the measure by eliminating any specific appropriation figure.

As affirmed by the records of votes of the members of your Committees on Education and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2222, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2222, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Ige, Inouye, Hogue, Trimble).

SCRep. 2269 (Joint) Education and Science, Arts, and Technology on S.B. No. 2264

The purpose of this measure is to appropriate funding to establish a distance learning program for a masters degree in social work from the University of Hawaii.

Your Committees received testimony in support of the measure from the University of Hawaii, an associate professor of psychology at the University of Hawaii-Hilo, Hale Opio Kauai, Inc., Hawaii Youth Services Network, Acting University Center Director Kauai and Assistant Dean of Instruction of Kauai Community College, National Association of Social Workers, and a private individual.

Your Committees find that social work services on the neighbor islands and in rural communities are scarce to non-existent due to a lack of professionals in those communities. By having a distant learning program for social workers in these areas, the service delivery capacity of those communities can be built up and the staff needed to run those programs can be trained.

Your Committees have amended the measure by eliminating a specific appropriation figure.

As affirmed by the records of votes of the members of your Committees on Education and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2264, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2264, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Kawamoto, Menor, Hemmings Hogue).

SCRep. 2270 Education on S.B. No. 2318

The purpose of this measure is to provide one permanent half-time teacher's aide for each Department of Education third grade classroom.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii State Teachers Association, and an individual.

Your Committee finds that third grade is a critical year for students preparing for upper grades, to ensure that they achieve academic standards in performance assessments mandated by the federal No Child Left Behind Act. Teacher's aides provide invaluable assistance to the teacher by performing a variety of instruction-related tasks and activities to help the students learn, develop, and improve in their academic, social, behavioral, and developmental skills. Ensuring that there is a teacher's aide in each third grade classroom will ensure that the teacher is provided with this needed assistance. However, the advanced skills of a teacher would be even more effective.

Your Committee has amended the measure to require that schools first attempt to provide a part-time teacher in each third grade classroom and, if none are available, to provide a part-time teacher's aide.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2318, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2271 Education on S.B. No. 2321

The purpose of this measure is to appropriate funding to establish a teacher's aide pilot program on Kauai.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii State Teachers Association, a marriage, family and child therapist, a third grade teacher from Kapaa Elementary School, five parents of children in Kauai public schools, and a former professor at Kauai Community College, as well as testimony in support signed by twenty-six teachers from Hanalei Elementary School, forty teachers from Waimea Canyon Elementary School, fifty-one teachers from King Kaunualii Elementary School, and forty-one teachers from King Wilcox Elementary School.

Your Committee finds that the federal No Child Left Behind Act mandates that every child be reading at the third grade level by the end of third grade. This requirement is unprecedented since classroom instruction has been historically underpinned by bell-curved expectations for students – some exceeding, many meeting, and some not meeting third grade benchmarks by the end of third grade. This measure seeks to assist those young readers who need intensive small group or individual instruction to meet the new reading standards imposed by the No Child Left Behind Act.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2321 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2272 Education on S.B. No. 2330

The purpose of this measure is to allocate four additional teacher positions to Kapaa Elementary School for the purpose of maintaining their schools-within-a-school concept for fiscal year 2004-2005.

Your Committee received testimony in support of the measure from the Hawaii State Teachers Association, the principal and a staff facilitator and parent from Kapaa Elementary School, and two residents of Kapaa, as well as testimony in support signed by two hundred and twenty seven teachers and parents from Kapaa Elementary School.

Your Committee finds that innovative education reform models like schools-within-a-school are effective means of creating the smaller learning communities so necessary for a student's academic, social, and developmental growth. As the largest elementary school in the State, serving over 950 students, Kapaa Elementary School is in particular need of programs creating smaller learning communities. However, a projected decline in student enrollment would cause a reduction in staffing that would make it impossible for the Kapaa Elementary School to continue its schools-with-a-school program. This should be prevented as it would eliminate an innovative program that is effectively serving Kapaa-area youth as a living laboratory of educational reform that may provide an important model for the restructuring efforts of other public schools state-wide.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2330 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2273 Education on S.B. No. 2371

The purpose of this measure is to authorize the issuance of general obligation bonds to design, construct, and equip an Urban Garden Center multipurpose building.

Testimony in support of this measure was submitted by the University of Hawaii, the College of Tropical Agriculture and Human Resources, and four private citizens.

Your Committee finds that the Urban Garden Center provides a valuable educational resource to families, homeowners, school children, teachers, university students, and horticulture professionals. The center's demand for informal classes and other educational activities is increasing. However, the center has only one classroom that seats forty-five individuals. Larger classes are conducted in the open when weather permits. This measure will provide the needed funding to build a multipurpose building that can support the center's growing activities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2371 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2274 Education on S.B. No. 2422

The purpose of this measure is to provide a tax credit for landlords who provide housing for teachers employed in hard-to-staff public schools.

Your Committee received testimony in support of the measure from the Department of Education and Hawaii State Teachers Association. Your Committee received testimony in opposition to the bill from the Department of Taxation. Your Committee received comments from the Tax Foundation of Hawaii.

Your Committee finds that housing has always been a concern and a problem for Hawaii's public school teachers who are willing to work in geographically isolated areas with limited housing stock. Offering landlords a tax credit for having teachers as tenants would be very beneficial to both parties and facilitate teacher recruitment and retention.

Your Committee has amended the measure by:

- (1) Replacing all references to "hard-to-staff" with "geographically hard-to-fill" to conform with standard language used by the Department of Education;
- (2) Requiring the Housing and Community Development Corporation of Hawaii to maintain a current list of fair market rental and lease rates for areas where teacher housing is eligible for the teacher housing tax credit program;
- (3) Making uniform all references to applicable tax years as those beginning after December 31, 2003;
- (4) Capping the tax credit at one hundred dollars per month per claimant;
- (5) Allowing the tax credit to be used against future tax liabilities; and
- (6) Allowing teacher housing in the City and County of Honolulu and the County of Hawaii to be eligible for this program if it is located in the state senatorial district adjacent to that of the geographically hard-to-fill public school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2422, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2422, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2275 Education on S.B. No. 2423

The purpose of this measure is to provide a tax credit for developers who lease state-owned lands to build housing for lease or rental to teachers employed in hard-to-staff public schools.

Your Committee received testimony in support of the measure from the Department of Education and Hawaii State Teachers Association. Your Committee received testimony in opposition to the bill from the Department of Taxation.

Your Committee finds that housing has always been a concern and a problem for Hawaii's public school teachers who are willing to work in geographically isolated areas with limited housing stock. Offering developers a tax credit to build housing for lease or rental to teachers would be very beneficial to both parties, and would facilitate teacher recruitment and retention.

Your Committee has amended the measure by:

- (1) Replacing all references to "hard-to-staff" with "geographically hard-to-fill" to conform with standard language used by the Department of Education;
- (2) Capping the tax credit for the program cumulatively at five million dollars;
- (3) Requiring the Housing and Community Development Corporation of Hawaii to prequalify applicants to ensure that the annual program cap of five million dollars is not exceeded, and maintain a current list of fair market rental and lease rates for areas where teacher housing is eligible for the teacher housing tax credit program;
- (4) Making uniform all references to applicable tax years as those beginning after December 31, 2003; and

- (5) Allowing teacher housing in the City and County of Honolulu and the County of Hawaii to be eligible for this program if it is located in the state senatorial district adjacent to that of the geographically hard-to-fill public school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2423, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2276 Education on S.B. No. 2426

The purpose of this measure is to:

- (1) Establish the Center for School Redesign as part of the College of Education at the University of Hawaii at Manoa campus; and
- (2) Make a \$250,000 appropriation for the center.

Your Committee received testimony in support of the measure from the University of Hawaii, Department of Education, and Hawaii State Teachers Association. Your Committee received testimony in opposition to the measure from the Director of Finance.

Your Committee finds that educational research shows that smaller schools contribute to student achievement. This is an opportunity to develop a school design based on research, best practice, data, and collaborative planning.

Your Committee has amended the measure by:

- (1) Deleting the provision setting the salary of the director of the center by statute; and
- (2) Having the Director of the center be appointed by the Dean of the College of Education of the University of Hawaii, Manoa instead of the Chancellor.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2426, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2277 Education on S.B. No. 2429

The purpose of this measure is to appropriate funds for the University of Hawaii Student Caucus.

Your Committee received testimony in support of the measure from the University of Hawaii and University of Hawaii Student Caucus.

Your Committee finds that the University of Hawaii Student Caucus is established in Board of Regents policy "to advocate collectively and democratically for the interests and needs of all students throughout the university and not the interests of any particular group or category of students. The association shall be composed of representatives from existing and future member campus student governments and may remain in existence provided it continues to fulfill the purpose of such a system-wide association as stipulated in the Board's policy."

Your Committee further finds that, currently, the caucus is given an annual operating budget of \$67,000 from the Office of the President yearly which pays for one delegate from each campus student government to meet according to the Board of Regents' schedule. A second delegate is paid for by each individual campus student government. The appropriation in this measure is not intended to be duplicative of the annual operating budget of \$67,000 but to enhance system-wide representation of additional student delegates.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2429 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2278 (Joint) Education and Judiciary and Hawaiian Affairs on S.B. No. 2518

The purpose of this measure is to make a \$1,500,000 appropriation to Hawaiian language immersion programs.

Your Committees received testimony in support of the measure from the Senator of the 23rd district, the Department of Education, Office of Hawaii Affairs, Hawaiian Political Action Council of Hawaii, Ho'okipa Network - Kauai, Waikiki Hawaii Civic Club, four

parents of Hawaiian immersion students, and an individual. Your Committees also received a petition in support of the measure signed by nine individuals.

Your Committees find that, according to the state constitution, Hawaiian is one of the two official languages of Hawaii. For this reason and many others, not least among them being respect for the host culture of these islands, efforts to support the propagation of Hawaiian language and culture should be nurtured.

Your Committees have amended the measure by eliminating any specific appropriation figure.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2518, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2518, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (English, Menor, Tsutsui).

SCRep. 2279 Education on S.B. No. 2613

The purpose of this measure is to appropriate funding for the Families for Resources for Early Access to Learning Program (R.E.A.L.).

Your Committee received testimony in support of the measure from the Department of Education, Hawaii State Teachers Association, Good Beginnings Alliance, and two graduate students from the School of Social Work at the University of Hawaii.

Your Committee finds that research has established that early brain stimulation between birth and age eight is critical to life-long learning and well-being. Thus, parents, as their children's first and primary teachers, are essential in providing a caring and intellectually stimulating environment for their children.

Your Committee further finds that Families for R.E.A.L., based on Minnesota's statewide Early Childhood/Family Education Model, is a public school early childhood/family education program for parents of children ages birth to five, located in three of seven Department of Education school districts. Establishing anchor sites within the other four school districts would establish a statewide system to proactively support children coming to school ready to learn.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2613 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

SCRep. 2280 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.B. No. 2624

The purpose of this measure is to reestablish a tuition waiver program at the University of Hawaii for veterans of the Vietnam conflict.

Your Committees received testimony in support of the measure from the Office of Veterans Services and Advisory Board on Veterans Services in the State Department of Defense. Your Committees received comments on the measure from the University of Hawaii.

Your Committees find that a tuition waiver program targeted to Vietnam conflict veterans will demonstrate this State's commitment to the men and women who serve in the military. It will also benefit our community, as educated veterans will be more employable and eligible for social and professional advancement.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2624 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Aduja, Kanno, Tsutsui, Hogue, Whalen).

SCRep. 2281 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.B. No. 2366

The purpose of this measure is to make a \$1,000,000 appropriation for tuition assistance for members of the Hawaii National Guard enrolled in degree programs at the University of Hawaii.

Your Committees received testimony in support of the measure from the State Adjutant General, University of Hawaii, and Chamber of Commerce.

Your Committees find that members of the Reserve and National Guard are facing and will continue to be faced with recalls to active duty. This is a result of the active duty force being downsized since the Vietnam War and the end of the Cold War. The

increased use of reserve and guard forces has placed heavy demands on its members and may have negative effect on recruiting and retention. A tuition assistance program would serve as an added incentive for residents to join or remain a member of the Hawaii Reserve and National Guard.

Your Committees have amended the measure by eliminating any specific appropriation figure.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2366, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2366, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Aduja, Kanno, Tsutsui, Hogue, Whalen).

SCRep. 2282 Education on S.B. No. 2689

The purpose of this measure is to appropriate funding to support the “Wednesday is Tutoring Day in Lahaina” literacy project in Lahaina complex public schools.

Your Committee received testimony in support of the measure from the principal and a counselor of Lahaina High School, four volunteer tutors of the “Wednesday is Tutoring Day in Lahaina” literacy project, the president of the West Maui Little League, and a private individual from West Maui.

Your Committee finds that this program has allowed many low- and middle-performing students to blossom academically, which has had a positive effect on their overall holistic development as well. This is an innovative public-private program that builds community in West Maui as well as serving youth cost-effectively.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2689 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2283 Education on S.B. No. 2694

The purpose of this measure is to create a full-time library assistant III position and convert an existing library assistant III position from part-time to full-time at Waiakea Elementary School.

Your Committee received testimony in support of the measure from two librarians from Waiakea Elementary School.

Your Committee finds that these positions will allow Waiakea High School students to borrow books weekly, instead of only bi-weekly as is the situation at present. For many students, the school library is the only library they can get to. It is a shame and contrary to the goal of supporting education to limit students’ access to knowledge due to an unnecessary shortage of library personnel.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2694 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2284 Education on S.B. No. 2755

The purpose of this measure is to establish a revolving fund for the After-School Plus Program.

Your Committee received testimony in support of the measure from the Board of Education, Department of Education, Director of Finance, and Hawaii State Teachers Association.

Your Committee finds that the After-School Plus Program, known as the A+ Program, has been an effective and necessary means of providing after-school care services to public school latchkey students in kindergarten through grade six. Since its inception, parents and guardians have relied on the A+ Program to provide after-school care services for their children.

Your Committee further finds that currently, in sites where schools operate the A+ Program directly, fees collected for A+ Program services are deposited into the State’s general fund. As a result, there is no guarantee that the fees collected will be dedicated to running the A+ Program. As such, because the A+ Program is subject to state funding, in lean economic times, the A+ Program’s viability becomes an issue. Over the years, public support for the program has been enthusiastic. The Board has received comments from parents and guardians indicating that the A+ Program fulfills the vital community need of providing after-school services for elementary school-age latchkey students. Establishing a revolving fund for the deposit of fees related to the A+ Program would ensure that such fees collected are dedicated to fund the program and maintain the program’s viability.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2755 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

SCRep. 2285 (Joint/Majority) Education and Judiciary and Hawaiian Affairs on S.B. No. 2757

The purpose of this measure is to allow the Department of Education and the Board of Education to hire attorneys other than the Attorney General, to provide legal services for the Department of Education, the Board of Education, and the Hawaii state public library system.

Your Committees received testimony in support of the measure from the Board of Education, Hawaii Government Employees Association, and Hawaii State Teachers Association. Your Committees received testimony in opposition to the measure from the Attorney General.

Your Committees find that the institutional interests of the Department of Education and Board of Education are not always consistent with those of the Governor. The board and department need to have the option to choose legal counsel that will advocate the best interests of these entities. Furthermore, legal services are among those many powers which support the public educational system that currently reside in several state agencies outside of the department. In the interests of efficient administration, these functions need to be gradually folded into the board and department. This measure is one step in that ongoing process.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2757 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 1 (Hogue). Excused, 3 (English, Menor, Tsutsui).

SCRep. 2286 (Joint) Transportation, Military Affairs, and Government Operations and Education on S.B. No. 2997

The purpose of this measure is to:

- (1) Establish a civil engineering scholarship program; and
- (2) Appropriate funding which will promote the civil engineering profession, offer financial assistance, on-the-job training, and employment opportunities to qualified students of Hawaii, in the Department of Transportation.

Your Committees received testimony in support of the measure from the University of Hawaii, Department of Education, Department of Transportation, Career and College Counselor and five students of Moanalua High School, the students of the Engineering and Technology Academy at Roosevelt High School, and the American Society of Civil Engineers.

Your Committees find that enrollment in the College of Civil and Environmental Engineering is at approximately half of its peak enrollment in the early 1990s, despite an increase in local recruiting efforts by both the department and the college. Both the state government and private employers have difficulty finding qualified civil engineers to meet their demands.

Your Committees further find that the shortage is projected to get worse nationally as the baby boomers begin to retire. Given the importance of design and construction to the local economy, this is potentially a major problem for the State and the State's infrastructure. An initiative to increase the pipeline of graduating civil engineers and retain them in Hawaii is needed.

Your Committees have amended the measure by:

- (1) Restricting the scholarship to those students attending the University of Hawaii;
- (2) Adding a provision allowing students awarded scholarships to postpone their work commitment after receiving their bachelors degree in order to actively pursue their masters degree; and
- (3) Changing the effective date for the appropriation section to July 1, 2004, and making other technical, nonsubstantive changes.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2997, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2997, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Aduja, Kanno, Tsutsui, Hogue, Whalen).

SCRep. 2287 Education on S.B. No. 2999

The purpose of this measure is to:

- (1) Establish a Student Scholarship and Assistance Special Fund within the University of Hawaii; and
- (2) Appropriate \$20,000,000 out of the Student Scholarship and Assistance Special Fund for fiscal year 2004-2005 to be used for scholarship assistance.

Your Committee received testimony in support of the measure from the University of Hawaii.

Your Committee finds that the proposed special fund would provide a consistent place for scholarship initiatives established by the Legislature, such as specific appropriations for critical statewide issues including workforce development, key shortage areas, and financial assistance funded with university, federal, or private funds. The special fund should also facilitate comprehensive reporting of financial support for students. Although the university will continue part of its tuition waiver program, the university is considering providing more assistance to students in the form of scholarships rather than tuition waivers. This practice is consistent with common practice nationwide and will enable more families to obtain tax benefits they would otherwise not benefit from through tuition waivers.

Your Committee has amended the measure by:

- (1) Adding a clause appropriating \$20 million out of the general revenues and placing it in the Student Scholarship and Assistance Special Fund;
- (2) Specifying that the appropriation sections shall take effect on July 1, 2004; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2999, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2288 Education on S.B. No. 3039

The purpose of this measure is to appropriate \$142,000 in state matching funds to the Hawaii Commission for National and Community Service.

Your Committee received testimony in support of the measure from the University of Hawaii, the Chair and Vice Chair of the Hawaii Commission for National and Community Service, the AmeriCorps Program Coordinator for the Maui Economic Opportunity YouthBank, and a trainer with Kaiser Permanente. Your Committee received testimony in opposition to the measure from an individual.

Your Committee finds that the Hawaii Commission for National and Community Service has provided a wide variety of many valuable community service opportunities for Hawaii's young people, including programs well-regarded by the national AmeriCorps organization. Providing the Hawaii Commission for National and Community Service with a modest amount of matching funds will enable them to continue their operations by attracting continued federal funding.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3039 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2289 Education on S.B. No. 3070

The purpose of this measure is to create the misdemeanor offense of hazing in all schools and colleges.

Your Committee received testimony in support of the measure from the Department of Education and Hawaii High School Athletic Association.

Your Committee finds while hazing is not a pervasive problem, those students who are put through it suffer gravely from it. Hazing is a needless assault on an individual's dignity, health, and emotional well-being. It can have a very negative effect on a person's psychological make-up and may leave psychic scars that are difficult to heal. Due to the severity of the problem to those affected by it, the problem should be addressed by statute.

Your Committee has amended the measure by specifying that the measure applies to all high schools and colleges.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3070, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3070, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2290 Education on S.B. No. 3108

The purpose of this measure is to:

- (1) Require middle and high school students to prepare and use education and transition plans for life after high school; and
- (2) Make an appropriation.

Your Committee received testimony in support of the measure from the Department of Education and Hawaii State Teachers Association.

Your Committee finds that the Department of Education's Standard Implementation Design System identifies a Personal Learning Plan component under Rubric II.A.1 Standards Based Curriculum (What is Taught). Such plans will include options for achieving personal goals, state standards, and school-wide learner outcomes. This will also serve to bring focus to a students learning program and help minimize gaps in service delivery in the public educational system.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3108 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2291 Education on S.B. No. 3109

The purpose of this measure is to establish a financial aid for post-secondary education and training for low-income students program.

Your Committee received testimony in support of the measure from the University of Hawaii, Bridge to Hope Coordinator, and an individual. Your Committee received testimony in opposition to the measure from the Director of Finance.

Your Committee finds that low-income students face many barriers to full participation in post-secondary education, training, and the workforce. In Hawaii and other states, students from public high schools in high-income communities are more likely to go to college than their peers from low-income communities. The State of Hawaii is ranked last among the fifty states in providing state support for higher education by the National Association of State Student Grant and Aid Programs. This measure will demonstrate the State's strong commitment to resolving this inequity.

Your Committee has amended the measure by deleting the definition of "low-income student" as meaning any junior and senior in high school eligible for free or reduced school lunch to provide the University of Hawaii greater flexibility in defining low-income in a manner consistent with preexisting federal definitions and guidelines for financially needy students already in use.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3109, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2292 Education on S.B. No. 3110

The purpose of this measure is to make an appropriation for capital improvements pertaining to the University of Hawaii.

Your Committee received testimony in support of the measure from the University of Hawaii and University of Hawaii Student Caucus.

Your Committee finds that the measure:

- (1) Provides full funding of all eleven projects included in the University of Hawaii Board of Regents' capital improvements program budget for supplemental year 2004-2005; and
- (2) Adds seven additional projects not included in the Board of Regents' capital improvements program budget.

Your Committee has amended the measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3110, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3110, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2293 Education on S.B. No. 3173

The purpose of this measure is to appropriate funding to bring the state library system into more complete compliance with the Americans with Disabilities Act.

Your Committee received comments on the measure from the Hawaii State Public Library System.

Your Committee finds that Americans with disabilities deserve access to the world of information and entertainment offered by libraries equal to that of other people. By bringing the state library into more complete compliance with the Americans with Disabilities Act, this access would be improved.

Your Committee has amended the measure by funding the initiative with general obligation bonds instead of general revenue.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3173, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3173, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2294 Education on S.B. No. 3205

The purpose of this measure is to require the Department of Education, subject to the availability of funds, to reduce the ratio of students to teachers in kindergarten to grade six to not more than twenty students to one teacher, over a period of seven years.

Your Committee received testimony in support of the measure from the Department of Education and Hawaii State Teachers Association. Your Committee received testimony in opposition to the measure from the Director of Finance.

Your Committee finds that the early years of grade school are the most crucial ones in terms of preparing the foundation for later academic, social, and behavioral development. Performance assessments recently mandated by the federal No Child Left Behind for grade three also make this a crucial period to support student learning and holistic development to the greatest extent possible.

Your Committee has amended the measure by:

- (1) Limiting the reduction in class size from kindergarten to grade three;
- (2) Raising the student-teacher ratio to twenty-five-to-one; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3205, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 2295 Science, Arts, and Technology on S.B. No. 2211

The purpose of this measure is to allow for audio or visual recordings or reproductions of public meetings that are open to the public.

The Office of Information Practices, the Department of Commerce and Consumer Affairs, the Community Television Producers Association, and two individuals testified in support of the bill.

Your Committee finds that by allowing public meetings to be recorded a larger number of Hawaii's citizens would be more informed and actively involved in the conduct of state government. This heightened sense of awareness and great participation on the part of members of the public will result in better decision making and, more importantly, trust in government.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2211 and recommends that it pass Second Reading and be referred to the Committee on Transportation, Military Affairs, and Government Operations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 2296 (Majority) Science, Arts, and Technology on S.B. No. 2214

The purpose of this measure is to authorize funding, in the form of general obligation bonds, to complete the restoration of the Waikiki War Memorial Natatorium.

The Waikiki Improvement Association; the Veterans of Foreign Wars of the United States, Post 970; the National Association for Uniformed Services, Hawaiian Chapter; the American Legion, Department of Hawaii; the Disabled American Veterans, Department of Hawaii; the Disabled American Veterans, Honolulu Chapter; the Oahu Veterans Council; the Hawaii Ocean Swimming, Inc.; the National Trust for Historic Preservation, Western Office; Pacific Resource Partnership, and seventeen individuals testified in support of the measure. The Department of Land and Natural Resources testified in opposition to the measure. The Advisory Board on Veterans Services and the Office of Veterans Services of the Department of Defense offered comments on the measure.

Your Committee finds that this measure provides necessary funding to complete the restoration of the Waikiki War Memorial Natatorium, a tribute to Hawaii's veterans of World War I. Once this restoration is completed, the Natatorium will once again become a popular venue for national as well as international water related sporting events which will generate significant revenue for the State. Further, the Natatorium will once again become a place where local residents can swim.

Your Committee has amended this measure by making technical amendments regarding the proper sequence of events in the ongoing renovation of the Natatorium since its closure in 1980.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2214, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2214, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Hemmings). Excused, 1 (English).

SCRep. 2297 Science, Arts, and Technology on S.B. No. 2377

The purpose of this measure is to include digitally recorded images and the use of any device to make such recordings part of the offense of violation of privacy in the second degree.

The Honolulu Police Department and the Department of the Prosecuting Attorney for the City and County of Honolulu testified in support of the measure. T-Mobile, USA expressed concerns regarding the potential criminal liability of wireless telecommunications service providers under this bill.

Your Committee finds that this bill enhances the constitutionally protected right of privacy guaranteed to Hawaii's citizens under Hawaii's Constitution against intrusions on their privacy by the use of wireless telecommunication devices such as camera cellular telephones and other devices that are able to capture and transmit digital images. This bill recognizes the challenges posed by the advent of sophisticated wireless technology and has sought to keep pace with these advancements by adapting the provisions of the Hawaii Revised Statutes to meet these challenges.

Your Committee has amended this bill to exclude electronic communication service providers and remote storage services that transfer, disseminate, or distribute images in the ordinary course of business.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2377, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 2298 (Joint) Science, Arts, and Technology and Economic Development on S.B. No. 2866

The purpose of this measure is to restore the Hawaii Strategic Development Corporation Revolving Fund and make an appropriation to the Hawaii Strategic Development Corporation to invest in various venture capital partnerships.

The Department of Business, Economic Development, and Tourism, the Hawaii Technology Trade Association, the Hawaii Venture Capital Association, and the High Technology Development Corporation testified in support of the measure.

Restoring the Hawaii Strategic Development Corporation Revolving Fund will make available much needed investment capital for Hawaii's entrepreneurs and small businesses. Further, by placing the Hawaii Strategic Development Corporation Revolving Fund under the auspices of the Hawaii Strategic Development Corporation, it will ensure that these funds are managed efficiently and with a rate of return that exceeds the State's initial investment.

Your Committees have amended the bill to designate the Department of Business, Economic Development, and Tourism as the expending agency in place of the Hawaii Strategic Development Corporation.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2866, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2866, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (English, Kanno, Kawamoto, Trimble).

SCRep. 2299 Science, Arts, and Technology on S.B. No. 2902

The purpose of this measure is to make a violation of the federal Do-Not-Call provisions an unfair or deceptive trade practice under Hawaii law.

Testimony in support of the measure was received from the Department of Commerce and Consumer Affairs and Verizon Hawaii. Comments on the measure were offered by the Legislative Information Services of Hawaii.

Your Committee finds that this measure harmonizes Hawaii's telemarketing laws with the recently enacted Do-Not-Call provisions of the Telemarketing Sales Rule and the Telephone Consumer Protection Act passed by Congress. This measure enhances the ability of the State to enforce violations of the Do-Not-Call provisions in state courts by making violations of the Do-Not-Call provisions a violation of state law.

Your Committee has amended this measure by changing the effective date to July 1, 2050 in order to promote continuing discussion.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2902, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 2300 Science, Arts, and Technology on S.B. No. 2955

The purpose of this measure is to allow public meetings conducted by video teleconferencing to continue by audio communication in the event video connectivity is interrupted or stopped.

The Department of Commerce and Consumer Affairs, Hawaii Health Systems, and three members of the Maui County Council testified in favor in the measure. Comments were received from the Office of Information Practices.

Your Committee finds that allowing public meetings to continue by audio communication whenever it is not feasible to utilize video teleconferencing would enable a larger segment of Hawaii's populace, especially citizens located on the neighbor islands, to participate in public meetings. Further, the audio communication option prevents public meetings from being disrupted or cancelled due to technology malfunctions and allows deliberative decision making to take place as scheduled.

Your Committee has amended the bill by setting forth specific requirements by which public meetings may be conducted by audio communication in the event video connectivity is interrupted or stopped and visual aids are part of the presentation to be given at a public meeting.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2955, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2955, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 2301 Science, Arts, and Technology on S.B. No. 2972

The purpose of this measure is to provide statutory authority to allow moneys collected in the form of penalties, fines, and other administrative charges be deposited into the Hawaii Historic Preservation Special Fund. This measure also authorizes the Department of Land and Natural Resources to utilize these funds to fund administrative and operational costs associated with the Historic Preservation Project.

Your Committee finds that this measure expands the enforcement powers of the Department of Land and Natural Resources in imposing civil and administrative penalties on individuals involved in the destruction of historic property. Further, this measure authorizes that moneys collected in the form of penalties, fines, and other administrative charges be deposited into the Historic Preservation Project to defray both enforcement as well as historic preservation related costs.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2972 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2302 (Joint/Majority) Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations on S.B. No. 2759

The purpose of this measure is to ameliorate the effects of real property tax increases on Hawaiians living on kuleana land.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and a County of Maui Council member. Comments were submitted by the Hawaiian Political Action Council of Hawaii.

Your Committees find that the current economic environment has resulted in escalating real property taxes throughout the State. However, these increases have adversely affected many Hawaiian families who live on kuleana lands because they are unable to pay for the taxes. As a result, many of these families face the loss of the land and legacy that generations have worked so hard to establish. This bill will aid Hawaiian families in retaining land granted to their families for generations past.

Your Committees also noted concerns regarding whether the State can mandate a county to enact ordinances. Specifically, article VIII, section 3 of the Constitution of the State of Hawaii, provides:

The taxing power shall be reserved to the State, except so much thereof as may be delegated by the legislature to the political subdivisions, and except that all functions, powers and duties relating to the taxation of real property shall be exercised exclusively by the counties[.]

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2759 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, 1 (Whalen). Excused, 3 (Aduja, Kanno, Menor).

SCRep. 2303 (Majority) Education on S.B. No. 3125

The purpose of this measure is to establish a candidate advisory council for the board of regents of the University of Hawaii to assist the governor in determining criteria, and identifying and recruiting qualified candidates, for non-student membership on the board.

Your Committee received testimony in support of the measure from the University of Hawaii Professional Assembly, University of Hawaii Student Caucus, Associated Students of the University of Hawaii at Manoa, and Association of Governing Boards of Universities and Colleges.

Your Committee finds that a system of vetting prospective regents is an important means of ensuring good management of the University of Hawaii.

Your Committee has amended the measure by:

- (1) Making it apply equally to prospective student members; and
- (2) Requiring representation of an undergraduate and graduate student of the University of Hawaii on the candidate advisory council.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3125, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Hogue). Excused, 2 (Chun Oakland, Kawamoto).

SCRep. 2304 Human Services on S.B. No. 2621

The purpose of this measure is to create a medically fragile children's trust fund to help pay for a medically fragile child's expenses as well as the child's caregiver's expenses.

Testimony in support of this measure was submitted by the State Council on Developmental Disabilities (supports intent), Kapiolani Medical Center, Hawaii Disability Rights Center, and two private citizens. The Department of Budget and Finance submitted comments.

Your Committee finds that recent trends in legislation place a larger responsibility on government to provide a means for meeting the unique needs of children with disabilities. Medically fragile children are children who typically suffer from cerebral palsy, muscular dystrophy, cancer, heart and lung disease, spina bifida, and other conditions that threaten their ability to survive without proper medical care. These are children who are usually medically stable but require skilled nursing services, therapies, and equipment to sustain their lives.

On a daily basis, families with medically fragile children face limited health plans or other programs that are unable to fund certain items consistently or even at all. For example, homes often need to be adapted with new wiring, widened doorways, and ramps in order to accommodate certain equipment. Often what we take for granted requires special equipment and strategies to manage daily

activities of life. This measure will provide some relief to families already burdened both financially and emotionally as a result of the necessity of caring for a medically fragile child.

Upon further consideration, your Committee has amended this bill by:

- (1) Replacing the administrator of the trust fund with a community foundation;
- (2) Establishing an advisory committee for the trust fund;
- (3) Limiting expenses from the trust fund to those not covered by health insurance; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2621, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2305 (Joint) Human Services and Judiciary and Hawaiian Affairs on S.B. No. 2931

The purpose of this measure is to require the Department of Human Services to establish standards for background checks to ensure the reputable and responsible character of service providers who have direct contact with individuals receiving services through Adult and Community Care Services Branch programs.

Testimony in favor of the measure was submitted by the Department of Human Services and the Kokua Council.

Currently, the only background check requirement for Adult and Community Care Services Branch service providers is performed on Home and Community-based Case Management Agencies and Community Care Foster Family Homes under the Residential Alternative Community Care Medicaid waiver program. Your Committees find that this is insufficient to ensure the safety and well-being of the department's clients. This measure will require that all programs under the Adult and Community Care Services Branch perform the necessary background checks of its service providers to ensure that reputable and responsible individuals have contact with their clients.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2931 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (English, Ige, Kawamoto, Tsutsui).

SCRep. 2306 (Majority) Human Services on S.B. No. 3036

The purpose of this measure is to require the Department of Human Services to adopt child welfare social worker caseload standards and reclassify child welfare social workers to achieve a two salary range upgrade.

Testimony in support of the measure was submitted by the Hawaii Government Employees Association, National Association of Social Workers, and ten child welfare social workers. The Department of Human Services and Department of Human Resources Development testified in opposition.

Your Committee finds that one of the areas needing critical improvement in child welfare services is the social worker's contact with the family. Many disgruntled families have reported that they lack contact with their social worker and some have stated that they only saw their social worker just before going into court. Unfortunately, our child protective services social workers are overburdened with too many cases. With manageable caseloads, the social workers can attend to each family in a timely manner. Furthermore, increasing their salary range will encourage more applicants to fill vacant positions and lower the high employee turnover rates.

Your Committee has amended this measure by making a technical, nonsubstantive amendment, and delaying the effective date to July 1, 2005 to allow the Department of Human Services time to improve this situation.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3036, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3036, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Trimble). Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2307 Health on S.B. No. 2091

The purpose of this measure is to authorize the Department of Health to adopt administrative rules to establish an administrative process allowing involuntary medication of psychiatric patients at the Hawaii State Hospital.

Testimony in support of this measure was received from the Department of Health, Hawaii Government Employees Association, the Hawaii Psychiatric Medical Association, and an individual. Testimony in opposition to this measure was received from the Hawaii Disability Rights Center. Comments were received from the National Alliance for the Mentally Ill and a registered nurse.

Your Committee finds that involuntary medication and psychiatric treatment is a controversial issue, but is warranted under certain situations. Untreated mental illnesses lead to the need to prolonged hospitalization and possible permanent deterioration to a patient's overall mental health.

Several concerns regarding patient's rights were raised, but your Committee finds that the measure is fairly detailed regarding the establishment of an administrative process, and this measure is also subject to the Hawaii Administrative Procedure Act, giving the public an opportunity to weigh in on the process.

Your Committee has amended this measure by:

- (1) Incorporating amendments offered by the Department of Health;
- (2) Adding a sunset provision; and
- (3) Requiring the Department of Health to submit a report to the Legislature after three years.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2091, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2308 (Joint) Health and Human Services on S.B. No. 2150

The purpose of this measure is to appropriate funds to expand the funding base of the Department of Health to ensure that parents with children under age nineteen are allowed the option to participate in residential substance abuse treatment.

Testimony in support of this measure was received from the Department of Health, Hawaii Youth Services Network, Blueprint for Change, and the YMCA Neighborhood Place of Puna.

Your Committees find that when a parent has a substance abuse problem, the entire family is affected, including the children. The most effective treatment programs involve family members, as well as the substance abuser. Your Committees further find that parents who are the primary caregivers to their children may be unable to enter residential treatment programs because no one can care for their children. This leads to a reluctance of parents to seek substance abuse services.

Your Committees have amended this measure by incorporating an amendment submitted by the Department of Health to include therapeutic living homes.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2150, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2150, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Kokubun).

SCRep. 2309 Health on S.B. No. 2154

The purpose of this measure is to appropriate funds to the Department of Health for evidence-based substance abuse prevention programs.

Testimony in support of this measure was received from the Department of Health, the National Alliance for the Mentally Ill, the Drug Policy Action Group, and the Community Alliance on Prisons.

Your Committee finds that scientific literature suggests that best practices drug prevention programs do much more than prevent drug abuse because they target the causes of drug abuse, crime, and delinquency. Other beneficial outcomes such as decreasing teen smoking results. Your Committee further finds that prevention is an effective and less expensive alternative to incarceration.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2154 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2310 (Joint) Health and Human Services on S.B. No. 2161

The purpose of this measure is to authorize a minor's caregiver to consent to health care services for the minor.

Testimony supporting this measure was received from the Office of Hawaiian Affairs, one member of the Maui County Council, International Longshoremen's and Warehousemen's Union, Kokua Council, and five individuals.

Your Committees find that many grandparents and other family members are raising their grandchildren, nieces, and nephews because the children's parents cannot, or will not, care for them. Caregivers should have the authority to seek medical help for the children they care for.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2161 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2311 (Joint) Health and Human Services on S.B. No. 2162

The purpose of this measure is to appropriate funds for early intervention services for special needs infants and toddlers from birth to three years of age.

Testimony in support of this measure was received from the State Council on Developmental Disabilities, Hawaii Early Intervention Coordinating Council, and the Good Beginnings Alliance. Testimony in opposition to this measure was received from the Department of Health.

Your Committees find that early intervention services are vital to a child's growth and development. The first three years are the most formative and critical to maximizing the child's future potential. Your Committees further find that there is an increase in demand for early intervention services.

Your Committees note that additional data is anticipated from the Department of Health regarding when receipts from Medicaid reimbursement, that may be sufficient to cover the deficit in funding, will be received. Accordingly, your Committees amended this measure to reflect a blank dollar amount, as well as to make technical, non-substantive amendments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2162, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2162, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Kokubun).

SCRep. 2312 Health on S.B. No. 2579

The purpose of this measure is to prohibit any rate, term, or condition that places a greater financial burden on an insured for access to treatment for mental illness than for treatment for a physical health condition.

Testimony in support of this measure was received from the Department of Health, Hawaii Psychological Association, Hawaii Substance Abuse Coalition, Hawaii Government Employees Association, Hawaii Disability Rights Center, Hawaii Psychiatric Medical Association, Blueprint for Change, Equal Insurance Coalition, and National Alliance for the Mentally Ill Hawaii. Comments were received from the Department of Commerce and Consumer Affairs and the Hawaii Medical Service Association.

Your Committee finds that mental illness and drug and alcohol dependence are treatable illnesses that should not be excluded from or given lesser coverage by Hawaii's medical insurance plans. Your Committee further finds that the experience in other states has clearly demonstrated that mandating parity of insurance benefits for mental illness and substance abuse treatment does not cause any appreciable increase in insurance premiums.

Your Committee has amended this measure by deleting its contents and replacing it with language that:

- (1) Amends the two-treatment episodes per lifetime cap on alcohol and drug dependence benefits to two treatment episodes per year;
- (2) Clarifies the definition of serious mental illness; and
- (3) Changes the effective date to January 1, 2005.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2579, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2313 Health on S.B. No. 2897

The purpose of this measure is to accept dental examination results from regional or state testing agencies in the event Hawaii's respective examinations cannot be administered.

Testimony in support of this measure was received from the Board of Dental Examiners, the Hawaii Dental Association, and the Hawaii Dental Hygienists Association.

Your Committee finds that the Hawaii dental licensure examination is administered at the Pearl Harbor Dental Clinic, and since the Board is a guest of the U.S. Navy it is subject to any security measures taken, including closure of the base to civilians. Your Committee further finds that there may be an occasion when access may be denied, thus preventing the examination from being taken. Allowing this alternative method will ensure the continuing licensure of dentists to meet the oral health needs of the State.

Your Committee has amended this measure to include the dental hygienists examination, which could also be affected by a denial of access to the Pearl Harbor Dental Clinic. The continuing licensure of dental hygienists is also important to meet the oral health needs of the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2897, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 2314 Health on S.B. No. 2945

The purpose of this measure is to require annual statewide planning based on planning within each county and to require the appointment of a service area administrator in each county.

Testimony in support of this measure was received from the Department of Health.

Your Committee finds that this measure proposes technical amendments designed to bring language in chapter 335, Hawaii Revised Statutes, into conformance with language emanating from the Community Plan for Mental Health Services.

Your Committee has made technical amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2945 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2315 Health on S.B. No. 3127

The purpose of this measure is to prohibit restrictions upon a physician's ability to prescribe FDA-approved mental health medications under the Hawaii Rx and Medicaid prescription drug expansion programs.

Testimony in support of this measure was received from the National Alliance for the Mentally Ill and United Self Help. Testimony in opposition to this measure was received from the Department of Human Services.

Your Committee finds that FDA-approved medications under Hawaii Rx and Medicaid should be available to physicians because medication management in serious mental illness situations is extremely complex and flexibility is critical.

Your Committee has amended this measure by:

- (1) Inserting a five-year sunset clause; and
- (2) Requiring the Department of Human Services to report back to the Legislature after three years.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3127, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2316 Energy and Environment on S.B. No. 2080

The purpose of this measure is to provide a tax credit for a percentage of costs associated with the installation of a hydrogen system that has an unspecified nameplate capacity.

Hawaiian Electric Company Inc. and PowerLight Corporation both testified in support of the measure. The Department of Taxation testified in opposition to the measure.

Your Committee finds that this tax credit will significantly reduce Hawaii's reliance on fossil fuels by providing an economic incentive to encourage individuals to shift to a renewable, non-polluting energy source such as hydrogen systems.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2080 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kanno).

SCRep. 2317 Energy and Environment on S.B. No. 2128

The purpose of this measure is to extend authorization to issue special purpose revenue bonds on behalf of Worldwide Energy Group.

Testimony in support of this measure was received from Kauai County Mayor's Office, Worldwide Energy Group, Gay & Robinson, Inc., and Hawaii Renewable Energy Alliance.

Your Committee finds that Worldwide Energy Group is currently developing a project with the Gay & Robinson sugar plantation on Kauai to process sugarcane fiber to produce ethanol using a relatively new technology. Your Committee further finds that this type of technology might ultimately allow conversion from a sugar plantation to an energy plantation, bringing much needed investment to the State.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2128 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2318 (Majority) Energy and Environment on S.B. No. 2405

The purpose of this measure is to remove the restriction to issue solid waste permits to facilities, without regard to existing resource recovery facilities.

Testimony in opposition to the measure was submitted by the Department of Health, the City and County of Honolulu, the County of Hawaii, and a private citizen.

Your Committee finds that there is an urgent need to address our community's solid waste management concerns. The current system is inadequate to meet the demands of our growing needs. Therefore, your Committee has passed out this measure to continue the discussion on this critical issue.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2405 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Hemmings). Excused, 2 (Baker, Kanno).

SCRep. 2319 Energy and Environment on S.B. No. 2469

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for the planning, design, construction, and installation of a third boiler at the HPOWER waste-to-energy plant on the island of Oahu.

The Director of Environmental Services, City and County of Honolulu and Covanta Energy Group submitted testimony supporting the measure. The Director of Health and the Director of Budget and Finance submitted comments on the measure.

Your Committee finds that increasing the HPOWER waste-to-energy plant's capacity to process municipal solid waste contributes significantly to the State's overall ability to manage its solid wastes.

Your Committee amended this measure by correcting the lapsing date for the special purpose revenue bonds authorized to be issued under the measure.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2469, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kanno).

SCRep. 2320 Energy and Environment on S.B. No. 2474

The purpose of this measure is to require electric utility companies to establish additional renewable portfolio standard goals of fifteen per cent of net electricity sales by December 31, 2015 and twenty per cent of net electricity sales by December 31, 2020; and to direct the Public Utility Commission to study the feasibility of implementing a rate structure to encourage the use of renewable energy and an incentives program to reward electric utility companies meeting renewable portfolio standard goals.

Sierra Club, Hawaii Chapter, Hawai'i PV Coalition, and PowerLight Solar Electric Systems submitted testimony supporting the measure. Comments were received from Life of the Land, Hawaii Renewable Energy Alliance, the Department of Business, Economic Development and Tourism, the Public Utilities Commission, Hawaii Solar Energy Association, and Honolulu Seawater Air Conditioning LLC.

Your Committee heard the concerns of several testifiers regarding the need for mandating renewable portfolio standards to ensure compliance and noted Honolulu Seawater Air Conditioning LLC's suggestion that their technology be included in the definition of "renewable energy." Your Committee was impressed with the Director of Business, Economic Development and Tourism's confidence that the electric utility companies can achieve the goals stated in the measure. Given the optimism of the Director, your Committee believes even higher standards could be met by the electric utility companies.

Accordingly, your Committee amended the measure by:

- (1) Changing the renewable portfolio standards from goals to mandates;
- (2) Amending the definition of "renewable energy" to include seawater air conditioning district cooling systems;
- (3) Increasing the new renewable portfolio standards for electric utility companies from fifteen to twenty per cent for December 31, 2015, and from twenty to thirty per cent for December 31, 2020; and
- (4) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2474, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2474, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2321 Energy and Environment on S.B. No. 2508

The purpose of this measure is to appropriate funds to:

- (1) Expand the Naiwa landfill on Molokai by adding three additional disposal cells;
- (2) Establish recycling and refuse convenience centers in west and east Molokai;
- (3) Continue promotion of community-based solid waste management and recycling; and
- (4) Create pilot projects for experimental technology, progressive waste-management practices, and recycling.

A Maui County Council Member submitted testimony supporting the measure. The Director of Health submitted testimony opposing the measure.

Your Committee finds that the projects authorized by the measure will assist the efforts to improve waste management programs and practices on Molokai and contribute a long overdue boost to the island's struggling economy.

Your Committee amended the measure by replacing the Department of Health with the County of Maui as the expending agency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2508, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2508, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kanno).

SCRep. 2322 Energy and Environment on S.B. No. 2682

The purpose of this measure is to require energy efficient water heating in new construction of dwelling units and to direct the Public Utilities Commission (PUC) to change its utility rebate rules and requirements to exclude new residential construction.

Sierra Club, Hawaii Chapter, Division of Consumer Advocacy, and Life of the Land submitted testimony supporting the measure. The Gas Company submitted testimony opposing the measure. The Director of Business, Economic Development and Tourism; Chairperson of the PUC; Hawaiian Electric Company, Inc.; Hawaii Solar Energy Association; and Building Industry Association of Hawaii submitted comments.

Your Committee acknowledges the concerns of the Gas Company regarding the chilling effect this measure may have on the water heating market for residential households. Your Committee also notes its concerns for residents in remote areas that rely primarily on gas water heaters due to cost limitations and unavailability of other utility and energy infrastructures. Your Committee further notes the PUC Chairperson's suggestion that "programs" be included in the description of its activities concerning residential construction rebates and that the term "solar roof panels" be replaced with "solar energy devices" to conform with existing statutory language. Your Committee, however, was concerned that the required changes to the PUC's rules, requirements, and programs would not be completed in a timely manner without a deadline stated in the measure.

Accordingly, your Committee amended the measure by:

- (1) Providing that a standard propane gas water heater may be used as a primary hot water system;
- (2) Replacing the term "solar roofing panels" with "solar energy devices";
- (3) Adding "programs" to the list of PUC functions relating to residential construction rebates; and
- (4) Requiring that changes to the PUC functions relating to residential construction rebates be completed by December 31, 2005.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2682, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2682, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2323 Energy and Environment on S.B. No. 2949

The purpose of this measure is to clarify the application of the voluntary response program to assist in the clean up of contaminated property.

In particular, this measure provides the following:

- (1) A waiver or reduction of fees for public and nonprofit agencies;
- (2) The continued oversight of a remediation action, if necessary;
- (3) A clarification of the level and scope of remediation required;
- (4) An exemption from future liability for substances occurring in nature at levels that exceed either a risk-based standard of not more than one additional cancer case per one million or a hazard quotient of one; and
- (5) Other procedural and administrative clarifying amendments.

The Director of Health and a concerned individual submitted testimony supporting the measure. The Hawaii Community Development Authority submitted testimony supporting the intent of the measure. The Sierra Club, Hawai'i Chapter submitted testimony opposing the measure.

Your Committee noted the concerns of the Sierra Club regarding the ambiguity in determining contamination levels of substances occurring naturally. Accordingly, your Committee has amended this measure by incorporating the Sierra Club's suggestions regarding use of the "best scientific and commercial data available" standard for those substances and making a technical, nonsubstantive stylistic change.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2949, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2324 Energy and Environment on S.B. No. 3004

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Honolulu Seawater Air Conditioning LLC for the design and construction of a seawater system for a district cooling system in downtown Honolulu.

Honolulu Seawater Air Conditioning LLC submitted testimony supporting the measure.

Your Committee believes that the energy savings from the use of seawater air conditioning/thermal energy storage cooling system technology will be significant and contribute to the diversification of energy alternatives for the State.

Your Committee has amended the measure by changing the effective date to July 1, 2004 to coincide with the beginning of the State's fiscal year.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3004, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2325 Energy and Environment on S.B. No. 3081

The purpose of this measure is to appropriate, using general obligation bonds, funds for the planning, design, and construction of a main seawater pump for use by the Natural Energy Laboratory of Hawaii Authority.

The Natural Energy Laboratory of Hawaii Authority testified in support of the measure.

Your Committee finds that this measure provides funds to support the planning, design, and construction of a main seawater pump to be used by the Natural Energy Laboratory of Hawaii Authority for innovative research involving ocean thermal energy conversion. This groundbreaking research will help diversify Hawaii's economy, create jobs, increase tax revenues, and allow for high value product exporting for items ranging from abalone and algae as well as deep seawater bottling.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3081 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2326 (Majority) Energy and Environment on S.B. No. 3092

The purpose of this measure is to appropriate funds to the Department of Health to expand its solid waste management enforcement and monitoring capabilities.

Testimony in favor of the measure was submitted by the Sierra Club. The Department of Health submitted testimony in opposition.

Your Committee finds that the Department of Health's current funding to monitor and enforce solid waste laws is inadequate. This measure will ensure the needed funding and assist in the reduction of illegal dumping and solid waste violations.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3092 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Hemmings). Excused, 2 (Baker, Kanno).

SCRep. 2327 Energy and Environment on S.B. No. 3162

The purpose of this measure is to provide a tax credit for the installation of renewable energy technology systems.

PowerLight Solar Electric Systems, Hawaii Solar Energy Association, Hawaii PV Coalition, Hawaiian Electric Company Inc., Hawaii Renewable Energy Alliance, and the Sierra Club, Hawaii Chapter all testified in support of the measure. The Department of Taxation offered comments on the measure.

Your Committee finds that this measure will decrease Hawaii's dependence on fossil fuels and encourage the use of renewable energy technology. Further, this renewable energy technology systems tax credit represents a proactive approach by the State in taking a leadership role in encouraging the increased use of renewable energy sources by Hawaii's citizens.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3162 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kanno).

SCRep. 2328 Energy and Environment on S.B. No. 3206

The purpose of this measure is to appropriate funds to eradicate the coqui frog on Maui.

Life of the Land, Hawaii Audubon Society, and the board of directors and owners at Kihei Akahi submitted testimony supporting the measure. The Chairperson of the Board of Agriculture submitted testimony supporting the intent of the measure. The Chairperson of the Board of Land and Natural Resources submitted testimony opposing the measure. The Nature Conservancy submitted comments on the measure.

Your Committee finds that the coqui frog poses a particularly troublesome problem on Maui and is in need of immediate eradication. Your Committee noted the concerns of some testifiers that the funds allocated by this measure may be diverted to other budgetary priorities if a specific entity is not identified to carry out the intended purpose of the measure.

Accordingly, your Committee amended the measure by replacing the Department of Health with the County of Maui as the expending agency and specifying that the funds be used by the Maui Invasive Species Council to eradicate the coqui frog on Maui.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3206, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3206, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kanno).

SCRep. 2329 Labor on S.B. No. 2355

The purpose of this measure is to clarify that a public employee with credited service prior to July 1, 1996, who experiences a break in service prior or subsequent to July 1, 1996 shall qualify for the retirement health benefits plan as it existed prior to July 1, 1996.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association.

The Department of Budget and Finance submitted comments on this measure.

Your Committee finds that an employee, initially hired prior to July 1, 1996, who has qualified for health benefits upon retirement, but subsequently returns to public service, may be treated as a new employee for purposes of receiving health benefits under the Hawaii Employer-Union Health Benefits Trust Fund. Because it is not clear under the current law as to how these individuals will be treated, further clarification is necessary.

Therefore, your Committee determines that further clarification will help to ensure that these individuals are assured the receipt of the same retirement health benefits plan as it existed when they were initially hired, prior to July 1, 1996.

Accordingly, your Committee has amended this measure as follows:

- (1) By amending section 87A-33(a), HRS, to specify that an employee specifically excluded under section 87A-35(a) is subject to section 87A-33;
- (2) By clarifying that an employee who is specifically excluded from section 87A-35, HRS, pursuant to subparagraphs (a)(1) and (2) of that section, is subject to section 87A-33, HRS; and
- (3) By clarifying that an employee hired prior to July 1, 1996 must have at least ten years of credited service prior to a break in service to be subject to section 87A-33, HRS.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2355, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2355, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

SCRep. 2330 Labor on S.B. No. 2895

The purpose of this measure is to require a pest control operator to obtain and maintain continuous workers' compensation and liability insurance coverage.

This measure also provides for:

- (1) License forfeiture for failure to obtain and maintain continuous workers' compensation and liability insurance coverage;
- (2) Options for the restoration of a pest control operator's forfeited license;

- (3) A right to request an administrative hearing to contest the forfeiture pursuant to Chapter 91, Hawaii Revised Statutes; and
- (4) The State Pest Control Board, rather than the Director of Commerce and Consumer Affairs, to be the repository for filing proof of insurance coverage for pest control businesses.

Testimony in support of this measure was submitted by the State Pest Control Board and the Hawaii Pest Control Association.

Your Committee finds that under the current law, there is no clear mandate that pest control operators maintain continuous workers' compensation and liability insurance coverages. Your Committee further finds that the intent of requiring insurance coverage by pest control operators, although not specifically mandated, was for such coverage to be maintained on a continuous basis so that verification of coverage would be presented as a prerequisite for license renewal. Additionally, requisite penalties, procedures for curing, and an appeal process resulting from a failure to maintain continuous coverage must be specifically enumerated to authorize the State Pest Control Board to properly regulate and enforce the industry. Your Committee also determines that it is currently difficult to obtain pest control coverage and therefore, concessions must be made to protect the licensees through the granting of a grace period within which coverage can be obtained without jeopardizing consumer safety.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2895, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

SCRep. 2331 Economic Development on S.B. No. 2209

The purpose of this measure is to amend the laws relating to the State Boxing Commission.

The State Boxing Commission testified in support of the measure.

Your Committee finds that this measure updates and conforms the chapter of the Hawaii Revised Statutes relating to the State Boxing Commission to the federally enacted Professional Boxing Safety Act of 1996.

Your Committee has amended the measure by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2209, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2209, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Trimble).

SCRep. 2332 (Joint) Economic Development and Health on S.B. No. 2457

The purpose of this measure is to grant a tax credit to small businesses to encourage small business owners to purchase long-term care insurance for their employees.

Testimony in support of this measure was received from the Chamber of Commerce of Hawaii, the Healthcare Association of Hawaii, the Association of Insurance and Financial Advisors, and AssistGuide Inc. The Tax Foundation of Hawaii offered comments on the measure. The Department of Taxation testified in opposition to the measure.

Your Committees find that Hawaii will experience a rapid growth in the elderly and disabled populations in the near future. These groups will make substantial demands on long-term care services. This measure is designed to encourage the purchase of necessary long-term care insurance by small business owners for their employees by providing a tax incentive to these small business owners. This measure, while still a work in progress, represents a proactive approach by the State in meeting this foreseeable demand on health services in a cost-efficient manner.

Your Committees have amended the measure by amending the definition of "small business" to mean businesses that employ less than one thousand full-time or part-time employees, reducing the amount of tax credit that may be claimed by a small business for each employee, and making other technical amendments.

As affirmed by the records of votes of the members of your Committees on Economic Development and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2457, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2457, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Ihara, Kanno, Kokubun, Tsutsui, Trimble).

SCRep. 2333 (Majority) Economic Development on S.B. No. 2495

The purpose of this measure is to authorize the issuance of general obligation bonds for the construction of wet lab space and a biotech incubator at Kakaako.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism; the High Technology Development Corporation; the Hawaii Community Development Authority; and the University of Hawaii.

Your Committee finds that biotechnology-related research and development represents a promising industry for Hawaii because of Hawaii's unique natural resources and pool of talented professionals in the private and public sectors. The lack of wet lab space and a biotech incubator have been identified as major impediments to attracting additional biotechnology related companies and research to Hawaii. By providing the necessary financing to construct crucial wet lab space and a biotech incubator, this will increase the number of high technology related jobs in the State, increase the amount of revenue flowing into the State, and diversify Hawaii's economy.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2495, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Trimble). Excused, 1 (Kanno).

SCRep. 2334 Economic Development on S.B. No. 2563

The purpose of this measure is to appropriate funds to support various programs administered through the Small Business Development Center.

The Department of Business, Economic Development, and Tourism; the Hawaii Small Business Development Center Network; Agricultural Development Support Systems, Inc.; and an individual testified in support of the measure.

Your Committee finds that this measure provides funding to expand the Economic Development Program of the Small Business Development Center located at the University of Hawaii at Hilo. This statewide program provides essential business training, counseling, advocacy, and research activities to approximately one thousand individuals involved in small businesses.

Your Committee has amended this measure by referring to "leveraged small businesses investment companies" as opposed to small business investment companies that issue leverage and by making technical changes to the measure.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2563, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kanno, Trimble).

SCRep. 2335 Economic Development on S.B. No. 2867

The purpose of this measure is to reinstate the capital loan revolving program and maintain moneys in the fund necessary to carry out the purposes of the capital loan revolving program.

The Department of Business, Economic Development, and Tourism testified in support of the measure.

Your Committee finds that this measure reinstates the capital loan revolving program, which provides critical financial assistance to small business owners who would otherwise be unable to obtain financing through conventional means. This loan program makes available an additional source of capital, which enables small businesses to become more productive and profitable as well as creating new jobs and increasing the tax revenues of the State.

Your Committee has amended the measure by specifying that the appropriation section shall take effect on July 1, 2004, and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2867, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2867, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kanno, Trimble).

SCRep. 2336 Economic Development on S.B. No. 2903

The purpose of this measure is to register and regulate persons providing money transmission services.

Testimony in support of this measure was received from the Office of the Lieutenant Governor, Department of Commerce and Consumer Affairs, Honolulu Prosecuting Attorney, Non-Bank Funds Transmitters Group, Philippine National Bank-Honolulu Agency, and one individual.

Your Committee finds that this measure establishes a much-needed system of registration for money transmitters doing business in the State that are not regulated by existing laws applicable to traditional financial institutions. This measure also provides significant protections for consumers who use the services of money transmitters by providing a degree of accountability and transparency and authorizing a private right of action against entities engaged in money transmission services that violate the registration requirement.

Your Committee has amended the measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2903, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2903, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Trimble).

SCRep. 2337 (Joint) Economic Development and Commerce Consumer Protection and Housing on S.B. No. 3170

The purpose of this measure is to establish new requirements regarding the blending of ethanol in gasoline.

Maui Ethanol LLC and Clean Fuels Hawaii testified in support of the measure. Tesoro Hawaii testified in opposition to the measure. The Department of Business, Economic Development, and Tourism offered comments on the measure.

Your Committees find that this measure seeks to reduce Hawaii's dependence on imported fossil fuels by mandating that a certain volume of ethanol be blended with gasoline by a time certain date.

Your Committees have amended this measure by removing provisions and definitions that could possibly conflict with the ongoing rulemaking process being undertaken by the Department of Business, Economic Development, and Tourism to enforce the provisions of the Petroleum Industry Information Reporting Act, and by making technical changes.

As affirmed by the records of votes of the members of your Committees on Economic Development and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3170, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3170, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Aduja, Ige, Kanno, Sakamoto, Whalen).

SCRep. 2338 Education on S.B. No. 2171

The purpose of this measure is to appropriate \$1,800,000 for the Department of Education to purchase more new and recently published textbooks, in order to update the textbooks periodically and to provide a sufficient number of textbooks for every student enrolled in the public schools.

Your Committee received testimony in support of the measure from the Department of Education and Hawaii State Teachers Association.

Your Committee finds that this measure will help to ensure that all public school students will have the textbook resources for mastering the Hawaii Content and Performance Standards to enable them to compete in a global society. Students will also benefit by having each school's curriculum, as embodied in textbooks, aligned throughout the school complex so that they may have a smooth and productive transition between grades and schools.

Your Committee has amended the measure by requiring a school's textbooks and curriculum to be aligned throughout the school complex.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2171, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Menor).

SCRep. 2339 Commerce Consumer Protection and Housing on S.B. No. 2119

The purpose of this measure is to require the court to consider whether a fair and reasonable outcome for all parties would result from a determination that a claim is suitable for review by the Design Professional Conciliation Panel (DPCP).

This measure also removes the enumerated criteria which the court could consider in making a determination of the suitability of a claim for review by the DPCP.

Testimony in support of this measure was submitted by the American Institute of Architects Hawaii State Council, the Coalition of Hawaii Engineers and Architectural Professionals, and Pacific Structural Consultants, Inc. Comments on this measure were submitted by the Department of Commerce and Consumer Affairs and the Consumer Lawyers of Hawaii.

Your Committee finds that the DPCP was established to provide a consumer with a forum for the resolution of claims against a design professional that is more cost effective than litigation. Your Committee further finds that under the current law, a court is permitted to consider a number of factors in determining whether a claim is suitable for review by the DPCP. However, the need for consideration of these factors acts to severely limit the number of cases which may be directed to the DPCP, thereby requiring the need to proceed to trial on the merits, an occurrence that is often unnecessary and costly. Therefore, your Committee determines that the removal of specific criteria for the court's consideration will enable a court to instead consider a claim in its entirety and make a determination as to whether a fair and reasonable outcome for the parties would result from review by the DPCP.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2119 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 2340 Commerce Consumer Protection and Housing on S.B. No. 2595

The purpose of this measure is to establish a professional counselor licensure program.

Testimony in support of this measure was received from Kaiser Permanente, Hale Opio Kauai, Inc., Child and Family Service, Hawaii Youth Services Network, Hawaii School Counselors Association, Parents and Children Together, Hawaii Rehabilitation Counseling Association, Alliance for Professional Counselor Licensure, National Association of Social Workers, Hawaii Counseling Association, Sestak Rehabilitation Services, and seven individuals. The Department of Commerce and Consumer Affairs submitted comments on the measure.

This measure defines the practice of professional counseling, requires licensure to use the title "licensed professional counselor" as of July 1, 2005, establishes licensure requirements and procedures, establishes exemptions from licensure, authorizes reciprocal licensing agreements with other states, and authorizes sanctions against a license. Additionally, this measure authorizes the hiring of program staff, appropriates general revenues to implement the program, and authorizes the assessment of license surcharges to replace general funds appropriated.

Your Committee finds that the State's failure to regulate professional counselors is inconsistent with its regulation of other core helping professions, such as psychology, social work, and marriage and family therapy, and that forty-seven states and the District of Columbia regulate the practice of counseling. The adoption of this measure will enable the State to ensure that persons using the title "licensed professional counselor" have met minimum standards for professional education and experience. Your Committee further finds that as federal programs increasingly require services to be provided by licensed professionals, adopting a licensure program will provide an expanded pool of qualified professionals to provide necessary services.

Your Committee has amended this measure to:

- (1) Provide for the licensure of counselors providing mental health counseling, as opposed to other types of counseling, such as career and educational counseling;
- (2) Clarify the scope of the practice of mental health counseling;
- (3) Prohibit the unlicensed practice of mental health counseling, in addition to the use of the title "licensed mental health counselor" without a license; and
- (4) Provide a specific exemption from licensure for the clergy.

Additionally, your Committee has made numerous technical changes to the measure by deleting irrelevant definitions and amending language for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2595, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 2341 Commerce Consumer Protection and Housing on S.B. No. 3049

The purpose of this measure is amend the requirements applicable to nonprofit organizations that enter into charitable gift annuity agreements in order to facilitate charitable fundraising while ensuring consumer protection.

Myerberg Shain and Associates testified in support of this measure. The Department of Commerce and Consumer Affairs opposed the measure.

Under current law, nonprofit organizations that pay annuities to donors under a charitable gift annuity agreement, among other requirements, must maintain a net worth of at least \$5,000,000 and a separate annuity fund worth at least one-half of the value of the annuities.

Your Committee finds that, ironically, these requirements preclude many of the neediest nonprofits, including churches, social service agencies, and health care organizations, from utilizing charitable gift annuity agreements as a fundraising tool. Consequently, mainland charities receive donations that might otherwise have been given to Hawaii nonprofits, depriving the State of funds that could have been used by local nonprofits to serve Hawaii's communities in need.

Your Committee further finds that the net worth requirement does not ensure the protection of annuitants since assets may not necessarily be in liquid form, as with real estate holdings that are subject to encumbrances or creditors' liens. Therefore, this measure repeals the minimum net worth requirement.

Additionally, your Committee finds that while the law requires the maintenance of a separate annuity fund, there is no requirement that moneys in the fund be unavailable to creditors and no formula for determining one-half of the value of the annuity. Therefore, this measure instead requires that a nonprofit maintain a segregated reserve fund, the moneys in which shall be of a sufficient amount to pay annuities and not subject to the claims of creditors. This measure also makes charitable annuity agreements subject to insurance code provisions authorizing examination by the commissioner and regulating insurer investments.

Your Committee concludes that the law should contain financial safeguards to protect the interests of annuitants, but that these safeguards should not be so onerous as to preclude smaller nonprofits from utilizing charitable annuity agreements as a fundraising tool. Therefore, your Committee has amended this measure by:

- (1) Retaining the minimum net worth requirement, but decreasing the amount from \$5,000,000 to \$100,000;
- (2) Requiring that a nonprofit keep segregated assets in a Hawaii financial institution and establishing a formula for the minimum amount of assets to be maintained therein;
- (3) Requiring charitable annuity agreements to contain a disclaimer that an agreement does not constitute life insurance, is not regulated by the Insurance Division, and is not protected by a guaranty fund;
- (4) Providing that a charitable annuity agreement shall be deemed life insurance under the insurance code if the issuing nonprofit organization fails to meet any of the requirements imposed on nonprofits authorized to enter into such agreements; and
- (5) Deleting language making annuity agreements subject to insurance code provisions authorizing examination by the commissioner and regulating insurer investments.

Your Committee also made technical, nonsubstantive amendments to the measure for formatting, clarity, and style purposes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3049, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3049, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

SCRep. 2342 Commerce Consumer Protection and Housing on S.B. No. 3145

The purpose of this measure is to enhance consumer protection in the area of mortgage financing by strengthening the licensing requirements for mortgage brokers and solicitors and the enforcement powers of the Department of Commerce and Consumer Affairs (DCCA).

The Hawaii Association of Mortgage Brokers testified in support of this measure. DCCA, State Farm Insurance Companies, Hawaii Financial Services Association, American Financial Services Association, Ameriquest Mortgage Company, Hawaii Credit Union League, Verizon, and Hawaii Bankers Association presented comments on the measure. The Hawaii Association of Realtors opposed the measure.

Your Committee finds that buying or refinancing a home is one of the most costly and complex consumer transactions and, therefore, it is important that the State ensure that mortgage originators are appropriately licensed and regulated. This measure strengthens and clarifies the standards for licensure as a mortgage broker or solicitor by, among other things:

- (1) Requiring the passage of an examination as a condition of license issuance and the completion of continuing education courses as a condition of license renewal;

- (2) Establishing requirements for advertising;
- (3) Clarifying the activities undertaken by mortgage brokers and the license exemption for realtors;
- (4) Increasing the bonding requirement from \$15,000 to \$50,000 and establishing a right of action for recovery on a bond;
- (5) Requiring license applicants to certify that they have no convictions for fraud, embezzlement, misrepresentation, or theft;
- (6) Authorizing DCCA to fine a licensee and condition the use of a license; and
- (7) Authorizing the imposition of fines for each occurrence of a licensing violation.

Your Committee has amended this measure by:

- (1) Requiring that a branch office advertisement include the parent company name in prominent and conspicuous type, rather than in twelve-point type;
- (2) Deleting the requirement that advertising publishers refuse advertisements from unlicensed mortgage brokers and solicitors;
- (3) Requiring that continuing education include instruction on relevant federal law;
- (4) Revising the proposed definition of "mortgage broker" to avoid the inclusion of financial counselors;
- (5) Deleting the proposed modification to the realtor exemption;
- (6) Establishing license forfeiture requirements;
- (7) Providing that, for licensing purposes, experience as a licensed insurance producer arranging mortgage loans solely with a single insured depository institution that is a subsidiary or affiliate of the insurer with whom the producer has an exclusive agency relationship, qualifies as experience equivalent to primary or subordinate mortgage financing;
- (8) Clarifying that the misconduct of a licensee's employee, rather than the licensee's employer, may subject the licensee's license to suspension or revocation;
- (9) Clarifying that "each violation" of the licensing law is subject to a \$1,000 fine, rather than providing for a maximum fine of \$1,000 "per occurrence", since the latter may be construed to establish a limit on the amount of fines that may be assessed based on a single incident; and
- (10) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3145, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

SCRep. 2343 Commerce Consumer Protection and Housing on S.B. No. 3176

The purpose of this measure is to require disclosure statements in sales of residential real property to disclose the former existence of methamphetamine manufacturing operations on a property, require the operator of a methamphetamine lab to pay for clean-up costs, and make the illegal disposal of methamphetamine waste a felony.

Testimony in support of this measure was submitted by two individuals.

Your Committee finds that the use and production of methamphetamine has reached epidemic proportions in our State. In order to combat these problems, laws need to be enacted to address specific methamphetamine offenses and to protect the public. Your Committee believes that this measure will begin to help accomplish some of these goals.

Your Committee has amended this measure to make technical, non-substantive changes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3176, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

SCRep. 2344 Commerce Consumer Protection and Housing on S.B. No. 3228

The purpose of this measure is to authorize the Governor, upon the declaration of an emergency due to a natural disaster, to release funds administered by the Hawaii Hurricane Relief Fund (HHRF) and moneys in the Emergency Budget and Reserve Fund.

Pacific Structural Consultants, Inc., and two individuals testified in support of this measure. The Hawaii Hurricane Relief Fund and Hurricane Risk Mitigation Task Force testified against the measure. The State Civil Defense Agency presented comments.

Your Committee finds that recent flooding in the Mapunapuna and Moanalua areas devastated homes and businesses, and flood victims were unable to obtain assistance under existing government programs. County and federal authorities declined to issue declarations of emergency that would have authorized the release of public funds and emergency repairs, and victims were unable to meet the criteria for assistance from the Small Business Administration and the State's disaster loan program.

This measure is intended to address shortcomings in the disaster relief network by authorizing the Governor, upon the declaration of an emergency, to release up to ten per cent of the HHRF reserves or Emergency and Budget Reserve Fund moneys, or both, to provide assistance to residents and businesses that sustain damage from a natural disaster.

Your Committee has concerns that authorizing the use of HHRF reserves may compromise the State's future ability to provide hurricane insurance should private insurers again withdraw from the market. Additionally, this measure authorizes assistance to policyholders, but HHRF has had no policyholders since coverage under its policies ended in 2001.

Therefore, your Committee has amended this measure by deleting provisions relating to the emergency release of HHRF reserve funds. Your Committee also made technical amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3228, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

SCRep. 2345 (Joint) Commerce Consumer Protection and Housing and Judiciary and Hawaiian Affairs on S.B. No. 2839

The purpose of this measure is to clarify and strengthen provisions regarding professional solicitors and professional fundraising counsel who contract with charitable organizations to conduct fundraising campaigns.

This measure also:

- (1) Transfers the duty to serve as the registrar for professional solicitors and professional fundraising counsel from the Department of Commerce and Consumer Affairs to the Department of the Attorney General, which has general oversight over charitable trusts and charitable organizations;
- (2) Authorizes the Attorney General to refuse to register, revoke, or suspend the registration of any charitable organization, professional fundraising counsel, or professional solicitor; and
- (3) Creates the "solicitation of funds for charitable purposes special fund" into which all fees will be paid.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Better Business Bureau of Hawaii, and the National Association of State Charities Officials. Testimony in opposition to this measure was submitted by Myerberg Shain and Associates.

Your Committees find that the regulation of professional solicitors or fundraisers is essential to ensure that donors and charitable organization are not exploited. Your Committees further find that although statutory regulations regarding professional solicitors and fundraisers in Hawaii were established over three decades ago, most of these provisions have not been updated in over ten years. Therefore, your Committees determine that amendments to the law have become necessary in order to clarify and strengthen the regulations imposed upon professional solicitors and fundraisers for the protection of the public.

Your Committees believe that accountability is of the utmost importance and that, therefore, the transmittal of oversight responsibility for professional solicitors and fundraisers to the Department of the Attorney General, which currently oversees activities of public charities and private charitable foundations, is a logical move. Additionally, the authorization of enforcement powers, including the authority to impose penalties, such as the refusal to allow for the registration of a charitable organization or a professional solicitor or fundraiser, or the suspension or revocation of such registration, will provide further protection for consumers. Your Committees also believe that through the imposition of reporting requirements and written contracts containing specified provisions, the Attorney General will be better able to regulate in this area and consumers will be more informed as to how their monetary donations are being disbursed.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that, if the compensation of a professional fundraising counsel or professional solicitor is contingent upon the number of contributions or the amount of revenue received, a statement of the percentage of the gross revenue that is the basis for compensation shall be included in the written contract;

- (2) Clarifying that, if the compensation of a professional fundraising counsel is not contingent upon the number of contributions or amount of revenue received from the solicitation campaign, the compensation shall be stated in a dollar amount within the written contract; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2839, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2839, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

SCRep. 2346 Judiciary and Hawaiian Affairs on S.B. No. 2875

The purpose of this measure is to propose amendments to the Constitution of the State of Hawaii to clarify that the Legislature shall balance general fund appropriations with the State's current estimated general fund revenues and unencumbered cash balances.

Testimony in support of this measure was submitted by the Department of Budget and Finance. Testimony in opposition to this measure was submitted by the Tax Foundation of Hawaii.

Your Committee finds that there are no requirements for the Legislature to balance its spending with estimated revenues. Your Committee further finds that there is a need to require the Legislature to only appropriate moneys from the general fund that do not exceed the State's current estimated general fund revenues and unencumbered cash balances for any fiscal year in a fiscal biennium. Your Committee believes that this measure will amend the Constitution of the State of Hawaii to require the Legislature to follow these requirements.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2875 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Kawamoto).

SCRep. 2347 (Joint) Energy and Environment and Transportation, Military Affairs, and Government Operations on S.B. No. 2134

The purpose of this measure is to establish the emergency environmental workforce to assist the counties in their efforts to eradicate, control, and prevent the introduction of invasive species in Hawaii. The measure also appropriates funds to create the emergency environmental workforce.

The Mayor of the County of Maui, the Honolulu Board of Water Supply, the Executive Assistant for Environmental Concerns for the Office of the Mayor of the County of Maui, three members of the Maui County Council, the Hawaii Audubon Society, and the Sierra Club, Hawaii Chapter all testified in support of the measure. The Department of Land and Natural Resources, the Department of Agriculture, and the Nature Conservancy of Hawaii offered comments on the proposed measure.

Your Committees find that this measure represents an innovative approach to addressing the significant environmental, health, cultural, and economic harms posed by invasive species. This emergency environmental workforce will not only alleviate the growing backlog of environmental service work, but also provide employment opportunities for individuals who are committed to preserving the environmental and cultural resources of Hawaii.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2134 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Hooser, Kanno, Menor, Whalen).

SCRep. 2348 (Joint/Majority) Energy and Environment and Transportation, Military Affairs, and Government Operations on S.B. No. 2303

The purpose of this measure is to permit the counties to charge an advance disposal fee to support the disposal of hazardous goods and large goods.

The Sierra Club - Hawaii Chapter, DR Associates, and one individual testified in support of the measure. The Department of Health testified in opposition to the measure. The Office of Information Practices offered comments on the measure.

Your Committees find that this measure represents a new and innovative method of waste prevention and disposal by attempting to alleviate the high costs associated with the disposal of large goods and hazardous goods by permitting the counties to charge an

advance disposal fee. This would encourage the use of renewable and non-hazardous resources and reduce the possibility of large goods and hazardous goods being illegally dumped.

Your Committees have amended the measure by:

- (1) Making the imposition of the advance disposal fee permissive as opposed to mandatory on the part of the counties as well as exempting consumers that buy large goods or hazardous goods for household, family, or personal use from the advance disposal fee; and
- (2) Making technical, nonsubstantive changes.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2303, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2303, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Hemmings). Excused, 4 (Hooser, Kanno, Menor, Whalen).

SCRep. 2349 (Joint) Energy and Environment and Science, Arts, and Technology on S.B. No. 2383

The purpose of this measure is to require all state capital improvement projects with a total contract value above \$2,500,000 to utilize dedicated value engineering technology and charrette services to improve project value and to encourage recycling.

Six private individuals who are active in the construction industry submitted testimony supporting the measure. The Superintendent of Education and State Comptroller submitted testimony opposing the measure. The Administrator of the State Procurement Office submitted comments on the measure.

Your Committees believe that use of dedicated value engineering technology and charrette services will result in tremendous economic benefit to the State. While acknowledging the representations of governmental officials claiming that those methodologies are currently being used voluntarily, your Committees believe mandating the use will ensure that the economic benefits to the State will be maximized.

Your Committees have amended the measure by adding the encouragement of sustainability and high performance building characteristics as additional goals for using dedicated value engineering technology and charrette services.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2383, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2383, S.D. 1, and be referred to the Committee on Transportation, Military Affairs, and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2350 (Joint) Energy and Environment and Transportation, Military Affairs, and Government Operations on S.B. No. 2389

The purpose of this bill is to require state offices and buildings to create and implement plans for mandatory recycling.

The Department of Environmental Management for the County of Hawaii, the Hawaii Island Economic Development Board, and two individuals testified in support of the bill. The Department of Health testified in opposition to the bill.

Your Committees find that this bill represents an important first step in educating the public as to the importance of recycling by requiring the State to take an active and visible leadership role in demonstrating the importance of conserving and protecting natural resources. By encouraging recycling in state government, a large amount of solid waste is diverted from taking up valuable space in Hawaii's dwindling landfills.

Your Committees have amended the bill to exclude county government agencies from having to implement a mandatory recycling plan.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2389, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2389, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Hooser, Kanno, Menor, Whalen).

SCRep. 2351 Energy and Environment on S.B. No. 2996

The purpose of this measure is to suspend the imposition of the state fuel tax on alternative fuels for a five-year period.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, Department of Transportation, Department of Taxation, The Gas Company, and Pacific Biodiesel, Inc.

This measure eliminates the state portion of the fuel tax on alternative fuels for a period of five years in order to encourage the development of alternative fuels, specifically non-fossil transportation fuels. These fuels include ethanol, methanol, and biodiesel fuels. Your Committee finds that the increased use of alternative fuels will lead to a reduction in the importation of foreign oil and advance the objectives of the federal Clean Air Act by reducing fuel emissions, which in turn protect the environment and improve public health. Your Committee further finds that increases in locally produced alternative fuels will create economic benefits for the State.

Your Committee has amended this measure to provide for a reduction in the tax to an unspecified amount, in deference to the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2996, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2996, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kanno).

SCRep. 2352 Energy and Environment on S.B. No. 3172

The purpose of this measure is to clarify the basis for the Pest Control Board (Board) to take disciplinary action against licensees.

This measure provides that the Board may revoke, suspend, or refuse to renew any license for disregard and violation of any provision of chapter 460J, Hawaii Revised Statutes, regulating pest control operators. This measure further deletes conviction of a felony against property rights while in performance of duty as a basis for disciplinary action.

Testimony in support of this measure was received from the Hawaii Pest Control Association. Testimony in opposition was received from the Board.

Your Committee finds that this measure provides needed clarification of the law and needed protection of pest control operators from frivolous complaints from property owners.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3172 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kanno).

SCRep. 2353 (Joint) Science, Arts, and Technology and Economic Development on S.B. No. 2281

The purpose of this measure is to allow certain moneys collected in the High Technology Special Fund to be deposited into a private client account in any bank or financial institution. This measure also deletes the \$3,000,000 cap on the fund.

The Department of Budget and Finance offered comments on the measure.

Your Committees find that this measure would provide flexibility to the High Technology Development Corporation (HTDC) in managing and supervising a greater number of high technology related projects by removing the limits on the High Technology Special Fund. Regarding the proposal to allow client accounts, your Committees are aware that HTDC and the Department of Budget and Finance are working to arrive at a consensus on a way to resolve these concerns.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2281 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Kanno, Trimble).

SCRep. 2354 Judiciary and Hawaiian Affairs on S.B. No. 2763

The purpose of this measure is to appropriate moneys to provide salary increases as determined by the Judicial Salary Commission.

Testimony in support of this measure was submitted by the Judicial Salary Commission.

Your Committee finds that the Judicial Salary Commission (commission) was established to determine fair and just salaries for Hawaii judges, justices, and appointed judicial administrative officers. According to the commission, national data shows that Hawaii judges' and justices' salaries are relatively low and their salaries warrant a substantial increase.

Based on the commission's recommendations, your Committee believes that this measure is necessary to provide a reasonable salary for judges and justices.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2763 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 2355 (Joint/Majority) Science, Arts, and Technology and Economic Development on S.B. No. 3002

The purpose of this measure is to appropriate funds to continue and expand the Project EAST (Environmental and Spatial Technology) initiative in Hawaii's public schools.

The Department of Education, the Kauai Economic Development Board, the Hawaii Island Economic Development Board, and twelve individuals, including ten students, testified in support of the measure.

Your Committees find that Project EAST is a highly effective, hands-on program that gives students "real world" experience with state-of-the-art technology. In the EAST lab, technology is the tool--not the focus. Students interact in an atmosphere that replicates a work-place environment, successfully bridging the transition from school to a career. There are currently seven EAST labs in Hawaii and approximately two hundred in six other states. At national EAST conferences in 2001, 2002, and 2003, Hawaii students have earned high honors for their projects against stiff competition.

Your Committees are very supportive of EAST and its contribution to the development of a knowledgeable, adaptive workforce so necessary in a highly competitive economic climate. Your Committees are currently working with the business community and project EAST proponents to develop additional funding sources to expand this program for the benefit of students throughout Hawaii.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3002 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 4. Noes, 1 (Hemmings). Excused, 4 (English, Kanno, Kawamoto, Trimble).

SCRep. 2356 (Joint) Science, Arts, and Technology and Energy and Environment on S.B. No. 3163

The purpose of this measure is to establish an advisory council to review, analyze, and develop programs for the purchase, use, and disposal of electronic products in a manner that reduces its negative impacts on the environment by state departments and agencies.

The Department of Business, Economic Development, and Tourism as well as the Department of Health offered comments on the measure.

Your Committees find that this advisory counsel represents a proactive approach on the part of state government in addressing the environmental as well as health-related harms associated with the disposal of electronic products.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3163 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2357 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on S.B. No. 2077

The purpose of this measure is to mandate ten-year interval updates of state functional plans from state agencies.

Testimony in support of this measure was received from Hawaii's Thousand Friends. Testimony in opposition was received from the Department of Land and Natural Resources. Comments were received from the Department of Business, Economic Development, and Tourism, Department of Agriculture, and Land Use Research Foundation of Hawaii.

Your Committees find that this measure addresses the critical issue of long-range development in the state. By mandating updates of functional plans by state agencies every ten years, the State is able to allocate limited resources more efficiently as well as facilitate increased collaboration between the state and county governments. This mandated ten-year interval functional planning also recognizes the value of ongoing and previous planning efforts conducted by various state agencies.

Your Committees have amended this measure by requiring that the functional planning take into consideration any ongoing or previous planning documents, created within the past five years, by various state agencies and, if appropriate, adopt any findings or recommendations contained in these planning documents for inclusion in a functional plan.

The amended measure recognizes the value of various planning documents created and promulgated by state agencies within the past five years. The findings and recommendations contained in these planning documents should not be automatically discounted, but given serious consideration and, if warranted, utilized for possible inclusion in the functional planning document mandated by this measure.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2077, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2077, S.D. 1, and be referred to the Committees on Ways and Means and Water, Land, and Agriculture.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Kanno, Trimble, Whalen).

SCRep. 2358 Judiciary and Hawaiian Affairs on S.B. No. 2397

The purpose of this measure is to amend the definition of "cooler beverage" to allow any type of alcohol as the base for a beverage that contains less than seven per cent of alcohol by volume.

Testimony in support of this measure was submitted by Distilled Spirits Council of the United States. Testimony in opposition to this measure was submitted by the Department of Taxation, Anheuser Busch Companies, and Wine Institute. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that the existing definition of "cooler beverages" provides that only wine or beer may be used as a base for a beverage containing less than seven per cent alcohol by volume. However, categories and types of alcoholic drinks have evolved, and the definitions of these beverages must change to reflect the current industry. Thus, your Committee believes that the definition of "cooler beverage" should be amended to include any type of alcohol as the base, as long as the total alcohol content is less than seven per cent by volume.

Your Committee has amended this measure to change the effective date to July 1, 2004. Your Committee also amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2397, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2397, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2359 Judiciary and Hawaiian Affairs on S.B. No. 2989

The purpose of this measure is to provide the Department of Taxation with the authority to impose civil penalties and injunctions on individuals who promote abusive tax shelters and tax preparers who support unrealistic positions on tax returns.

Testimony in support of this measure was submitted by the Department of Taxation, Hawaii Society of Certified Public Accountants, and the Tax Foundation of Hawaii.

Your Committee finds that currently there are no laws that hold:

- (1) Tax preparers responsible for making understatements of liability;
- (2) Tax preparers responsible for making willful and reckless understatements of liability; and
- (3) Individuals responsible for promoting abusive tax shelters.

Your Committee believes that this measure will provide the necessary civil penalties to address these problems.

Your Committee has amended this measure by changing the effective date to July 1, 2004. Your Committee also addressed numerous technical changes to conform to the Hawaii Revised Statute style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2989, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2989, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2360 Judiciary and Hawaiian Affairs on S.B. No. 2992

The purpose of this measure is to allow the Department of Taxation to recover costs of prosecution from defendants upon their convictions.

Testimony in support of this measure was submitted by the Department of Taxation.

Your Committee finds that the Department of Taxation should be able to recover costs of prosecution from defendants upon their convictions, and your Committee believes that this measure will allow the State to make those recoveries.

Your Committee has amended this measure by changing the effective date to July 1, 2004. This measure was also amended to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2992, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2361 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 3069

The purpose of this measure is to transfer exclusive management of the entire State Capitol building and grounds, including parking facilities, to the joint legislative management committee.

Testimony was submitted by the Department of Accounting and General Services. Specifically, the State Comptroller testified that the department had concerns only regarding the costs of reassigning the management and control of the State Capitol building. However, the department did not submit testimony in opposition or objecting to any policy issues with regard to the legislative management committee actually managing the State Capitol building and grounds.

Your Committee finds that there are management concerns regarding the State Capitol building. Concerns about public accessibility such as parking and access to the building have been expressed by the public and have not been addressed by the Department of Accounting and General Services, which currently manages the building.

Your Committee believes that this measure will provide the necessary means to address many of the management concerns regarding the State Capitol building.

Your Committee noted concerns regarding the legislative management committee taking full responsibility of the entire building's management. Your Committee also noted a suggestion to invite the administration to share a portion of the management responsibilities. Your Committee is moving the bill along so that the cost issue can be addressed by the Ways and Means Committee.

Your Committee has amended this measure by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3069, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Hogue). Excused, 1 (English).

SCRep. 2362 Transportation, Military Affairs, and Government Operations on S.B. No. 2919

The purpose of this measure is to add a joint headquarters component to the headquarters staff of the national guard.

This measure also provides that the assistant adjutant general in charge of each component of the national guard have a grade no higher than major general, instead of brigadier general under the current law.

Testimony in support of this measure was received from the state Department of Defense.

Current components of the national guard are the army national guard and air national guard. Since the tragic attacks upon the United States on September 11, 2001, the nation has been taking actions to prepare for and protect against additional terrorist attacks upon the United States. The State department of defense has evolved into a joint headquarters, and this amendment will codify that change.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2919, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2919, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Menor, Whalen).

SCRep. 2363 (Joint) Transportation, Military Affairs, and Government Operations and Commerce Consumer Protection and Housing on S.B. No. 3189

The purpose of this measure is to enact a new law to provide for enhanced 911 services for mobile phones.

Testimony in support of this measure was received from the Department of Health, Department of Accounting and General Services, Honolulu Police Department, Verizon Wireless, AT&T Wireless, and T-Mobile USA, Inc. Comments were received from the Office of Information Practices.

This measure requires providers and resellers of commercial mobile radio services (wireless telephone communications) to bill and collect from their customers a monthly surcharge at the rate established under this measure. The moneys collected are deposited into a wireless enhanced 911 fund to be used for ensuring adequate cost recovery for the deployment of wireless enhanced 911 service in Hawaii.

This measure is intended to increase wireless 911 services. Your Committees find that statewide enhanced 911 has proven to be a lifesaving service and that routing a 911 call to the appropriate public safety answering point with a display of the caller's identification and location should be available for all users of telecommunications services, regardless of the technology used to make and transmit the 911 call. Your Committees further find that it is in the best public interest to ensure that there is adequate ongoing funding to support enhanced 911 service.

Testimony on this measure indicates that cellular phones have become an essential safety tool for many people, who purchase wireless service to have the benefit of calling 911 when they are away from home. There are many new technologies now available that allow 911 operators to determine the approximate location of a 911 caller from a cellular phone. This critical service, available in other parts of the United States, is not yet available in Hawaii. It is the intent of your Committees that this measure will enable the provision in Hawaii of such advanced technologies.

Your Committees have amended this measure by:

- (1) Providing that if two board members have a parent company in common, then the two are entitled to only one vote together;
- (2) Specifying that the Department of Accounting and General Services (DAGS) administer the board;
- (3) Allowing DAGS to receive an administrative fee of five per cent of the deposits into the fund;
- (4) Exempting land line companies from the audit provision;
- (5) Specifying that the current land line provider is represented on the board, and increasing the board membership to eleven;
- (6) Making the measure effective January 1, 2020; and
- (7) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3189, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3189, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 5 (Aduja, Ige, Kanno, Sakamoto, Whalen).

SCRep. 2364 Water, Land, and Agriculture on S.B. No. 2400

The purpose of this measure is to direct the Department of Land and Natural Resources (DLNR) to establish the Kapoho Bay recreation area as part of the conservation district.

This measure also appropriates funds for the development of a state recreation area, including restroom facilities for Kapoho Bay Conservation District.

Testimony in support of this measure was submitted by the Department of Park and Recreation for Hawaii County and two private citizens. Testimony in opposition to this measure was submitted by DLNR. Comments on the measure were submitted by four private citizens.

Your Committee finds that in recent years recreational facilities in the Puna District have been diminished as a result of lava flow from volcanic activity. Your Committee further finds that efforts to expand or restore facilities must be increased to offset the current lack of facilities in the area. Your Committee determines that the appropriation of funds for the establishment of a state recreation area at the Kapoho Bay Conservation District will help to accommodate the increased number of campers in the area, as well as provide for proper recreational and restroom facilities to address existing health and safety concerns.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2400 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2365 Water, Land, and Agriculture on S.B. No. 2818

The purpose of this measure is to address housekeeping matters related to agricultural commodities and provide for the use of the Certification Services Revolving Fund to hire temporary employees to assist in certifying chicken eggs and meat.

Testimony in support of this measure was submitted by the Board of Agriculture.

Your Committee finds that the statutes regulating coffee weighing and the advertising of size, grade, origin, or quality of fresh fruits, vegetables, and coffee are all better placed in Chapter 147, Hawaii Revised Statutes, agriculture grades and standards certification activities. Your Committee also finds that there is a need to hire temporary employees under the Certification Services Revolving Fund to assist in the certification of chicken eggs and meats. Your Committee believes that this measure will address all of these matters.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2818 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2366 Water, Land, and Agriculture on S.B. No. 3094

The purpose of this measure is to extend the sunset date for Act 261, Session Laws of Hawaii 2000, from June 30, 2005 to June 30, 2007.

Testimony in support of this measure was submitted by Protect Our Shoreline Ohana. Comments were also submitted by the Department of Land and Natural Resources (DLNR).

Act 261 allowed DLNR to lease submerged lands for private residential noncommercial piers, without public auction.

Your Committee finds that there is a need to extend the repeal date from June 30, 2005 to June 30, 2007.

Your Committee has amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3094, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2367 Water, Land, and Agriculture on S.B. No. 3117

The purpose of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the repair and modification of the Hana Wharf and Small Boat Harbor in Hana, Maui.

Testimony in opposition was submitted by the Board of Land and Natural Resources. However, the opposition to this measure was not to the Hana Wharf and Small Boat Harbor in Hana, Maui receiving repairs and modifications. Instead, the Board of Land and Natural Resources encouraged your Committee to support their supplemental budget request.

Despite this testimony, your Committee believes that this measure is necessary to provide moneys to make repairs and modifications to the Hana Wharf and Small Boat Harbor in Hana, Maui.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3117 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2368 Water, Land, and Agriculture on S.B. No. 3128

The purpose of this measure is to appropriate moneys to purchase the Pupukea-Paumalu area on the north shore of Oahu.

Testimony in support of this measure was submitted by the Hawaii Audubon Society, North Shore Community Land Trust, Hawaii Chapter of the Sierra Club, Stewards of Waimea Valley, Oahu Chapter of the Surfrider Foundation, Trust for Public Land, Vietnam Veterans V.F.W. Post 10583, and one hundred nineteen individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources (DLNR) and one individual. Comments were also submitted by Life of the Land.

Your Committee finds that the Pupukea-Paumalu area on the north shore of Oahu consists of one thousand one hundred ten acres and is bordered by the Paumalu gulch, Pupukea-Paumalu forest reserve, and the Kalunawaikaala gulch and stream. The Pupukea-Paumalu area includes important coastal scenic views of the Koolau and Waianae mountain ranges, in addition to a wide variety of cultural, historic, environmental, open space, visual, and recreational resources.

Your Committee further finds that the Pupukea-Paumalu area's unique features attract tourists to the north shore of Oahu and provides economic support for the rural community. Additionally, the area creates a buffer between the north shore community and the extensive military activity in the surrounding area. There are also two state water reserves and several watersheds located within the boundaries of the area.

Your Committee finds that the Pupukea-Paumalu area is presently being offered for sale, and your Committee believes that the State should seize the opportunity to obtain this unique and valuable parcel. The bill empowers the DLNR to determine the best option to obtain the land, including a land exchange or a public-private partnership.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3128 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2369 Water, Land, and Agriculture on S.B. No. 3191

The purpose of this measure is to clarify the calculation of land for private noncommercial piers in Kaneohe Bay.

Testimony in opposition to this measure was submitted by the Department of the Attorney General and Department of Land and Natural Resources (DLNR). Comments were also submitted by Protect Our Shoreline Ohana.

Your Committee finds that despite the testimony in opposition, this measure is necessary to:

- (1) Require DLNR to apply the fifty per cent multiplier to the assessed value of the fast land, unimproved, when calculating lease rents for Kaneohe Bay private residential noncommercial piers;
- (2) Set the rent for state submerged lands at two per cent of the determined state submerged land value per year; and
- (3) Extend the amnesty program.

Your Committee finds that applying the fifty per cent commercial rate to the fair market value of the residential fast lands for private noncommercial piers in Kaneohe Bay is not justified. These private noncommercial piers do not produce any income and the adjoining residential properties are not dependent on the piers. The submerged lands are inaccessible, and there is no demand for their use except to build piers by the adjoining property owners. The fast and submerged lands should not be considered a single residential unit. The rental is on the submerged land, which essentially has no value, and not on the pier.

Your Committee further finds that it is more reasonable to apply the fifty per cent valuation multiplier to the assessed value of the adjoining fast land only, without improvements for real property tax purposes.

Your Committee has amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3191, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3191, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2370 Health on S.B. No. 2092

The purpose of this measure is to allow licensure of applicants who served a residency in a program approved by the Royal College of Physicians and Surgeons of Canada.

This measure also clarifies licensure requirements for foreign applicants for a license to practice medicine.

Testimony in support of this measure was received from Hawaii Medical Association, Hawaii Medical Service Association, and Island Urology. Comments were received from the Board of Medical Examiners.

Your Committee finds that most medical educators in the United States recognize accreditation from the Royal College of Physicians and Surgeons of Canada as equivalent to a residency accredited by the U.S. Accreditation Council for Graduate Medical Education. By accepting Canadian training the pool of qualified physicians that are able to practice medicine in Hawaii will increase.

Your Committee has amended this measure by:

- (1) Recognizing Canada's second accrediting body, the College of Family Physicians of Canada; and
- (2) Allowing the Board of Medical Examiners to accept the Medical Council of Canada Qualifying Examination.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2092, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2371 (Joint/Majority) Health and Human Services on S.B. No. 2153

The purpose of this measure is to reinstate the original allocation of the tobacco settlement fund of twenty-five percent to the Hawaii Tobacco Prevention and Control Trust Fund, and reduce the University of Hawaii's allocation from the fund.

Testimony in support of this measure was received from American Health Association, Coalition for a Tobacco Free Hawaii, and an individual. Testimony in opposition was received from the University of Hawaii. Comments were received from the Department of Health.

Your Committees find that tobacco use is the number one preventable cause of death, yet Hawaii is only spending between \$3-\$4 million a year on comprehensive tobacco control, far less than the Centers for Disease Control best practices guideline of between \$10.4 and \$23.4 million per year.

Your Committees further find that while the University of Hawaii Medical School is very significant to the people and future of our State, the school is also encouraged to explore additional financing mechanisms based on other funding sources.

Your Committees have amended this measure by deleting its contents and replacing it with language to require the University of Hawaii to repay, over time, the moneys it received from the Hawaii Tobacco Settlement Special Fund.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2153, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2153, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 2 (Tsutsui, Trimble). Excused, 2 (Hooser, Kokubun).

SCRep. 2372 Health on S.B. No. 2158

The purpose of this measure is to appropriate funds to the Department of Health for a 24-hour Hawaii poison hotline.

Testimony in support of this measure was received from the Department of Health, Straub Clinic and Hospital, Kaiser Permanente, Kapiolani Medical Center, Hawaii Primary Care Association, Keiki Injury Prevention Coalition, American Academy of Pediatrics, and one individual.

Your Committee finds that the 24-hour poison hotline is a vital link to the continued maintenance of the safety and well being of Hawaii's population. This program helps save lives, prevents harm from poisoning, and helps reduce overall medical expenses.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2158 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2373 Health on S.B. No. 2471

The purpose of this measure is to appropriate funds for Lamalama Ka `Ili at Molokai General Hospital.

Testimony in support of this measure was received from the Office of Hawaiian Affairs, five members of the Maui County Council, Hospice Hawaii, and Molokai General Hospital. Testimony in opposition was received from the Department of Health.

Your Committee finds that Lamalama Ka `Ili at Molokai General Hospital provides diabetes self-management education program and hospice services to the people of Molokai. Since the hospice program's inception, forty-five patients and families have been served, when normally these patients were either cared for by the public health system, or were transported to Oahu for treatment and died away from their homes. The Committee further finds that moneys spent on supporting this clinic are also an investment in preventative care.

Your Committee has amended this measure by reducing the appropriation from \$150,000 to \$130,000.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2471, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2374 (Joint) Health and Judiciary and Hawaiian Affairs on S.B. No. 2641

The purpose of this measure is to transfer administration of the State's medical marijuana program from the Department of Public Safety (DPS) to the Department of Health (DOH).

This measure also changes certain definitions and procedures to make the program more efficient and easier for seriously ill patients.

Testimony in support of this measure was received from Harm Reduction Hawaii, Effective Change, LLC, Drug Policy Forum, Drug Policy Action Group, Life Foundation, and thirteen individuals. Testimony in opposition was received from the DOH and the DPS.

Your Committees find that the legal use of marijuana as a therapeutic medicine is a health issue, rather than a public safety issue. The seven other states allowing the use of medical marijuana do so through their departments of health, except for Nevada whose program registry is with the department of agriculture. These departments also work in conjunction with their departments of public safety, allowing access to the patient registry should verification be required.

Your Committees further find that administration by the DOH will allow severely ill patients better access to compassionate care and a broader range of physician assistance, without compromising the level of oversight that is needed. Patients who require protection by this law will not be intimidated by the prospect of dealing with the narcotics enforcement division, as they currently must do, and will come forward to be registered.

Your Committees have amended this measure by:

- (1) Requiring qualifying patients to report changes in their registry information within ten days; and
- (2) Making technical, nonsubstantive changes.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2641, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2641, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (English, Kokubun).

SCRep. 2375 Health on S.B. No. 2670

The purpose of this measure is to require physicians renewing their licenses to have completed at least three hours of pain management courses.

Testimony received in support of this measure was received from Hospice Hawaii. Testimony in opposition was received from the Hawaii Medical Association. Comments were received from the Board of Medical Examiners.

Your Committee finds that there is a need for increased quality and availability of pain management services for Hawaii patients.

Your Committee further finds that a definite requirement of continuing medical education may not apply to all types of physicians, and thus has amended this measure accordingly by:

- (1) Requiring the Board of Medical Examiners to establish educational standards for health care providers with respect to patients' pain management; and
- (2) Prohibiting disciplinary action or criminal prosecution against a licensed health care professional who can demonstrate that such practice substantially complied within the guideline established by the Board of Medical Examiners.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2670, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2376 Health on S.B. No. 2686

The purpose of this measure is to augment the language of Act 174, Session Laws of Hawaii (SLH) 2003, that describes the need to support Hawaii-based companies providing services to detect and treat cancer.

This measure also appropriates \$2,000,000 for the Cancer Detection Development Revolving Fund to support the Hawaii-based development of healthcare and biomedical technology for the detection and treatment of cancer.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism and Science and Technology International. Testimony in opposition to this measure was submitted by the Department of Health.

Your Committee finds that although Hawaii is a desirable vacation destination due to the allure of the sun and surf, the success of the tourism industry is also dependent upon Hawaii being a safe and healthy location for visitors. Your Committee further finds that in Hawaii, skin cancer is especially prevalent, with Kauai having the highest documented incidence rate of basal cell carcinoma in the country. Pursuant to Act 174, SLH 2003, the Legislature recognized the need for and provided for the utilization of Hawaii Tobacco Settlement Special Fund moneys to support technological advances in cancer detection. Your Committee determines that heightened awareness of Hawaii's cancer concerns must be encouraged and promoted. Your Committee further determines that additional funds must be appropriated in order to continue to support the development of healthcare and biomedical technology for not only the detection, but also the treatment, of cancer in its early stages.

Accordingly, your Committee has amended this measure by:

- (1) Changing the expending agency from the Department of Health to the Research Corporation of the University of Hawaii; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2686, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2377 Health on S.B. No. 2690

The purpose of this measure is to supplement the general funds appropriated to the emergency medical system by establishing an emergency medical services special fund.

This measure also appropriates funds for advance life support ambulance services for parts of Oahu, Maui, and Hawaii, and provides for necessary training opportunities on the neighbor islands.

Testimony in support of this omnibus measure was received from members of the Maui County Council, the United Public Workers (UPW), American Medical Response, several Maui County paramedics, and private individuals. Testimony from the Department of Health supported the intent of this measure, but opposed the imposition of new fees.

Your Committee is cognizant that the rapid response of emergency medical services is critical to positive outcomes for emergency patients. The need to provide sufficient emergency medical care to residents of rural areas, particularly on the neighbor islands, is long overdue. Your Committee further finds that funding has been a critical issue in financing the emergency services. User fees for emergency medical services are deposited into the general fund, but are not an adequate source of funding for the services.

Additionally, your Committee finds that the retention and recruitment of paramedics is vital in maintaining a top-notch emergency medical service. Paramedics are an essential component of the continuum of care and serve as linkages among health resources. Your Committee further finds that professional development and training for paramedics and new recruits is a sound way to address the challenge of retention and recruitment, which was identified as a top priority in keeping Hawaii's emergency response system in top shape at the 2003 Hawaii EMS Agenda for the Future Summit.

Accordingly, your Committee has amended this measure by:

- (1) Establishing an emergency medical services special fund for the Department of Health to augment general fund appropriations to operate the state comprehensive emergency medical services system;
- (2) Requiring the State to impose an additional \$10 fee for motor vehicle registrations; and
- (3) Requiring the State to deposit the additional fees into the special fund.

Your Committee has further amended this bill by changing the effective date for the additional fee for the motor vehicle registration to October 1, 2004, and making other changes to allow for the transaction and imposition of the additional fee.

Your Committee considered various funding sources to provide emergency medical services, and finds that the best method is to increase the motor vehicle registration fees because your Committee finds a direct nexus between use of motor vehicles and the need for emergency medical services. Your Committee feels very strongly that there is a need for greater resources, and if new funding mechanisms are not created, improved services will never be realized. Your Committee notes that the increased fees are to be used for enhanced emergency services, and may not be used to supplant existing services.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2690, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2690, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2378 Health on S.B. No. 2712

The purpose of this measure is to appropriate funds to support the Na Lei Wili Area Health Education Center's "Grow Our Own Healers" program on Kauai and Oahu.

Testimony received in support of this measure was received from the Department of Health, Kauai Community College, Na Lei Wili Area Health Education Center, Waianae Coast Comprehensive Health Center, a public health nurse, a student member of the Health Occupations for Teens (HOT) Club, an advisor to the Dole Middle School Educational Medical Team (EMT) Health Club, a student member of the Dole Middle School EMT Health Club, a student member of the Farrington High School Health Club, and a student from Kaewai Elementary School.

Your Committee finds that the Grow Our Own Healers program, now in its seventh year of existence, aims to improve the health of the underserved using the Cycle of Aloha which involves students in middle school through graduate school in the learning process. Younger students are provided with educational and recruitment alternatives that will excite their minds and open them to the possibilities of health professional careers. Health professional students are educated in the diverse rural and underserved communities in order to better serve this population.

Your Committee has amended this measure by specifying that the appropriation is to be in the form of a grant under chapter 42F, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2712, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2379 Health on S.B. No. 2899

The purpose of this measure is to revise licensing and other provisions regulating the nursing profession, and make housekeeping amendments.

Testimony in support of this measure was received from the Board of Nursing, Hawaii Medical Association, Hawaii Chapter of Pediatric Nurse Practitioners/Nurses, Hawaii Nurses Association, Hawaii Association of Nurse Executives, and a nurse. Testimony in opposition was received from a nurse.

Your Committee finds that it is important to modify and improve laws to best suit the practice of nursing and the proposed amendments offered in this measure are important in maintaining the quality of nursing in Hawaii.

Your Committee has amended this measure by:

- (1) Removing the exemption of graduates of a board-approved practical nursing program at an educational institution in a foreign jurisdiction from an English proficiency examination; and
- (2) Requiring a report to the Legislature.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2899, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2380 Health on S.B. No. 2950

The purpose of this measure is to make USFDA approved, therapeutically equivalent generic drug products substitutable upon approval by the Director of Health.

Your Committee received testimony in support of the measure from the Department of Health, Kaiser Permanente, and Hawaii Medical Service Association.

Your Committee finds that this measure will expedite the public's access to safe, low-cost drug products.

Your Committee made technical nonsubstantive amendments to comport with preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2950, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2950, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2381 Health on S.B. No. 2953

The purpose of this measure is to make an emergency appropriation for the Hawaii Health Systems Corporation.

Testimony in support of this measure was received from the Hawaii Health Systems Corporation (HHSC), Hawaii Government Employees Association, and one Hawaii County Council Member.

According to testimony of the HHSC, this appropriation is necessary to offset the increase in the fringe benefit rate assessed to all state agencies for fiscal year 2003. It is an emergency only in the sense that this unexpected assessment was not part of HHSC's general fund support.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2953 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2382 Health on S.B. No. 2956

The purpose of this measure is to make the provision of emergency aeromedical services permissive rather than mandatory.

Testimony in support of this measure was received from the Department of Health. The United Public Workers, American Medical Response, and a Maui paramedic submitted testimony in support of emergency aeromedical hospital services.

Your Committee finds that this measure which, as written, primarily makes the provision of emergency aeromedical services permissive rather than mandatory, essentially reverses the Legislature's override of the Governor's veto of S.B. 745 during the 2003 Special Session. S.B. 745, which subsequently became Act 2, Session Laws of Hawaii, Special Session of 2003, established aeromedical emergency medical services for Maui county, the only four-island county in the State. In addition, this measure makes the permissive provision subject to the availability of funds, which your Committee finds automatically applies to all appropriation measures and thus need not be reiterated.

Your Committee further finds that the grounds raised for opposition was that setting a standard of care for aeromedical emergency medical services for the State might raise a liability issue for the State for residents of counties without such service. Your Committee finds that this argument is without merit as this decision is a discretionary function of the government. Your Committee further finds that the State utilizes its discretionary function regarding ground ambulance service, which has been mandated but, as is clear through legislation to add ground ambulance service to certain rural communities, not all communities have such a service.

Your Committee has amended this measure by deleting its contents and inserting provisions to require the Department of Health to monitor the need in Kauai county and inform the Legislature when that county reaches a sufficient sustained level of need for an aeromedical emergency service.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2956, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2956, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 2383 (Joint/Majority) Health and Human Services on S.B. No. 3068

The purpose of this measure is to appropriate funds from the emergency and budget reserve fund for various health and human services programs, including grants, for FY 2004-2005.

Testimony in support of this measure was received from the Judiciary, University of Hawaii and its Bridge to Hope program, two programs of Catholic Charities Hawaii Family Services, Hawaii Youth Services Network, Child Welfare Services, and the Sex Abuse Treatment Center. Testimony in opposition was received from the Departments of Health and Human Services.

Your Committees find that moneys are urgently needed to maintain levels of programs that are essential to the public's health, safety, and welfare.

Your Committees have amended this measure by deleting its contents and inserting language that would appropriate unspecified amounts for unspecified programs under the Departments of Health and Human Services.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3068, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3068, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Ige, Kokubun, Tsutsui).

SCRep. 2384 Health on S.B. No. 3079

The purpose of this measure is to include the intranasal delivery of vaccines within the scope of practice of pharmacists.

Testimony in support of this measure was received from the Board of Pharmacy, the National Association of Chain Drug Stores, and Synapse Legislative Services, Inc. Comments on this measure were received from the Hawaii Medical Association.

Your Committee finds that a pharmacist who is appropriately trained should be able to administer intranasal drugs and vaccines. Pharmacies are ideally suited to provide preventative immunization health care services, thus addressing the critical public health issue of inadequate immunizations.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3079 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2385 (Joint) Health and Commerce Consumer Protection and Housing on S.B. No. 2090

The purpose of this measure is to establish a prescription drug repository program to receive and dispense donated prescription drugs to needy persons.

Testimony in opposition to this measure was received from the Department of Health and the Board of Pharmacy.

Your Committees find that there is a substantial amount of unused yet safe prescription drugs that can be donated and provided to needy persons. With the high costs of prescription drugs that can force needy persons to decide between buying the prescription drugs they need or having a meal, your Committees find that this program will be beneficial to the needy of Hawaii.

Your Committees have amended this measure by prohibiting individuals from donating unused prescription drugs.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2090, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2090, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Ige, Kokubun, Sakamoto, Whalen).

SCRep. 2386 (Joint) Health and Human Services on S.B. No. 2448

The purpose of this measure is to compensate family members of murder, manslaughter, and negligent homicide victims for mental health counseling services.

Testimony in support of this measure was received from the State Crime Victim Compensation Commission, the Departments of the Prosecuting Attorney for the City and County of Honolulu, and the Counties of Maui, Hawaii, and Kauai, and from the Sex Abuse Treatment Center.

Your Committees find that mental health counseling for surviving family members in cases involving a family member's death is essential to the survivors' recovery. Your Committees further find that the State Crime Victim Compensation Commission is currently not able to provide compensation for the costs of mental health counseling services obtained by surviving family members in cases where a family member is murdered, or killed as a result of manslaughter or negligent homicide. This measure would help rectify such situations.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2448 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Kokubun).

SCRep. 2387 Health on S.B. No. 2577

The purpose of this measure is to provide protections for physicians, hospitals, and other health care providers relating to review of medical errors.

Testimony in support of this measure was received from Hawaii Medical Association, Healthcare Association of Hawaii, and Hawaii Pacific Health. Testimony in opposition was received from the Consumer Lawyers of Hawaii.

Your Committee finds that it is critical that physicians be able to continue to review the work of other physicians without fear of lawsuit or retribution. Testimony indicated that up to 98,000 Americans die every year as a result of medical errors. Your Committee further finds that medical errors are symptomatic of a systemic problem, and is better corrected if the entire healthcare system is involved.

Your Committee further finds that nationally, the response has been to design medical error reporting systems that encourage full and open reporting of medical errors and adverse outcomes while protecting the data collection and reporting process. To date, there is no centralized medical error reporting system and little reliable data are available to identify Hawaii's patient safety issues at the statewide level.

However, the data are also accessible to plaintiff attorneys. Accordingly, if health care providers and public and private organizations involved in the data and reporting process are not protected, it is unlikely that full and open reporting will occur.

Hawaii's current peer review protection law (section 624-25.5, Hawaii Revised Statutes) is narrow in scope and does not provide adequate protections for hospitals, physicians, and other health care providers to encourage open discussions about medical errors and adverse outcomes. Before a medical error reporting system can become operational in Hawaii, statutory protection for the generation and reporting of information is required.

Your Committee has amended this measure by:

- (1) Incorporating the concept of a case review forum into the definition of quality assurance committee, and thus removing any reference to such term in this measure; and
- (2) Excluding records made in the regular course of business by a hospital or health care provider as protected information.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2577, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2577, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2388 Health on S.B. No. 2586

The purpose of this measure is to provide for renewable special purpose licensing of dentists and dental hygienists working at federally qualified health centers or Native Hawaiian Health System sites.

Testimony in support of this measure was received from the Department of Health, the State Council on Developmental Disabilities, Board of Dental Examiners, Hawaii Dental Association, Hawaii Primary Care Association, Hawaii Dental Hygienists' Association, Good Beginnings Alliance, Hawaii Dental Task Force, and Hawaii Islands Oral Health Task Force.

Your Committee finds that there is a shortage of dental care providers who are willing to work in non-profit health centers that serve low income and uninsured communities in the State. Over 270,000 Hawaii residents are without dental insurance while 80,000 MedQUEST insured adults have no basic dental benefits. Your Committee further finds that increasing the pool of qualified dentists and dental hygienists increases access to basic dental services by the poor and uninsured.

Your Committee has amended this measure by incorporating technical amendments from the Board of Dental Examiners.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2586, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2389 (Joint) Health and Human Services on S.B. No. 2618

The purpose of this measure is to require that funds appropriated from the tobacco settlement special fund and earmarked for the Healthy Hawaii Initiative be used solely for that purpose and not supplant general fund moneys.

Testimony in support of this measure was received from the Department of Health, American Heart Association, and Coalition for a Tobacco Free Hawaii.

Your Committees find that the supplanting of general funds originally appropriated to the Healthy Start program with tobacco settlement funds in the current fiscal biennium had a severe impact on the Healthy Hawaii Initiative, resulting in a forty-three per cent cut to the funds available to the Healthy Hawaii Initiative. Your Committees further find that this Initiative is a nationally recognized prevention strategy that works, and the current loss of funding has curtailed the Department of Health's efforts.

Your Committees have amended this measure to restore full funding for the Healthy Hawaii Initiative beginning on July 1, 2005, as well as end the supplanting of general funds with tobacco settlement moneys for the Healthy Start program beginning July 1, 2005.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2618, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2618, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Kokubun).

SCRep. 2390 Health on S.B. No. 2683

The purpose of this measure is to appropriate funds to the Department of Health to pay for primary medical, dental, and behavioral health services for uninsured Hawaii residents through nonprofit, community-based primary health care centers.

Testimony in support of this measure was received from Aloha Care, Hoola Lahui Hawaii, Healthcare Association of Hawaii, Hawaii Primary Care Association, and Kokuia Council. Testimony in opposition was received from the Department of Health.

Your Committee finds that community health centers have proven to be effective in providing comprehensive primary care services to residents of poor and disadvantaged communities who are uninsured. The uninsured population in Hawaii has increased in recent years and currently stands at ten per cent. Your Committee further finds that the growing number of uninsured patients in our health centers create a financial burden which requires ongoing assistance.

Your Committee has amended this measure by making an unspecified appropriation specifically to Kauai Community Health Center, as there are other measures that have addressed funding for the other community health centers in the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2683, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2683, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2391 Health on S.B. No. 2779

The purpose of this measure is to clarify the law on traditional Hawaiian healing practices.

This measure:

- (1) Makes the Kupuna Council an independent entity for purposes of the law on traditional Hawaiian healing practices; and
- (2) Authorizes any individual regardless of race or ethnic origin to be certified by the Kupuna Council as a traditional native Hawaiian healer.

Testimony in support of this measure was received from Office of Hawaiian Affairs, Waianae Coast Comprehensive Health Center, and Papa Ola Lokahi.

Your Committee finds that this measure is needed in order to preserve traditional Hawaiian healing practices and to update the law.

Your Committee has amended this measure by:

- (1) Changing the Kupuna Council to the Elders' Council; and
- (2) Removing references to the term 'native.'

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2779, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2392 Commerce Consumer Protection and Housing on S.B. No. 2887

The purpose of this measure is to adopt the National Association of Insurance Commissioners' Interstate Insurance Compact.

Testimony in support of this measure was received from the Insurance Commissioner and Association of Insurance and Financial Advisors. Comments were received from the Attorney General and American Council of Life Insurers.

According to the justification sheet on this measure, state insurance regulators across the nation and the National Association of Insurance Commissioners (NAIC) recognize that the financial services industry is changing. Many products sold by life insurers have evolved to become primarily investment products. Consequently, life insurers face increasing direct competition from products offered by depository institutions and securities firms. Depository institutions and securities firms are able to sell products nationally, often without prior regulatory review. Thus, they are able to bring new products to market more quickly without the added expense of meeting different requirements among the states.

This measure allows states that have enacted similar measures to have the flexibility to regulate life insurance, annuities, and disability income insurers, excluding long-term care insurance. This measure is a result of the joint effort of the NAIC and state regulators to implement a uniform system of regulation. This measure is intended to preserve the state-based system of insurance regulation by raising product standards and consumer protections, improving the quality of product review, and giving insurance companies the ability within regulatory confines to compete in an evolving marketplace.

Your Committee finds that this measure would provide high product standards and quicker access to a broader choice of investment products for consumers.

Your Committee has amended this measure on the recommendation of the Insurance Commissioner to conform to the NAIC's Model Act. Your Committee has inserted an effective date of July 1, 2030, to continue the discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2887, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2887, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

SCRep. 2393 (Joint) Health and Commerce Consumer Protection and Housing on S.B. No. 2957

The purpose of this measure is to require the Hawaii Health Systems Corporation to organize a domestic captive insurance company to provide malpractice coverage to the Department of Health, the John A. Burns School of Medicine, and other governmental entities or quasi-governmental entities of the State involved in the provision of health care.

Testimony in support of this measure was received from the Department of Health, University of Hawaii, and Hawaii Health Systems Corporation.

Your Committees find that establishment of a captive insurance company domiciled in the State is vitally essential to the future viability of government and quasi-government entities of the State involved in the provision of health care because it will help reduce costs and control losses. The cost of purchasing medical malpractice and hospital professional and general liability coverage is becoming prohibitive, and for some, unavailable.

Your Committees have made technical, nonsubstantive amendments to this measure.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2957, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2957, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Ige, Kokubun, Sakamoto, Whalen).

SCRep. 2394 Commerce Consumer Protection and Housing on S.B. No. 3060

The purpose of this measure is to establish a contractors recovery fund board of trustees.

Testimony in support of the measure was submitted by an individual. The Contractors License Board and Subcontractors Association of Hawaii opposed the measure.

Current law in section 444-26, Hawaii Revised Statutes, provides for a contractors recovery fund for the purpose of paying claimants injured as a result of an act, representation, transaction, or conduct of a licensed contractor. The fund is presently administered by the Contractors License Board.

It has come to the attention of your Committee that the processing of claims by the Contractors License Board is somewhat less than optimal. It appears that the board is requiring claimants to relitigate their claims administratively after they have won a court judgment against a contractor. Your Committee does not believe that section 444-26, Hawaii Revised Statutes, was intended to be applied in this fashion.

This measure is intended to avoid duplication, delays, and inconveniences when filing a claim with the contractors recovery fund by establishing a separate board of trustees for the fund to process and investigate claims. Your Committee is concerned about the allegations against the current administration of the fund and believes the concept merits further review. For this reason, your Committee passes this measure to continue the discussion.

Your Committee has amended this measure by inserting a delayed effective date of July 1, 2030, in order to facilitate further review and discussion of the issues raised therein, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3060, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Whalen).

SCRep. 2395 Health on S.B. No. 3222

The purpose of this measure is to include naturopathy among the required personal injury protection benefits in a motor vehicle insurance policy.

Testimony in support of this measure was submitted by Hawaii Society of Naturopathic Physicians, Natural Health and Pain Relief Clinic, Sacred Healing Arts, and six individuals. Testimony in opposition to this measure was submitted by Hawaii Insurers Council and State Farm Insurance Companies. Comments were also submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that naturopathy coverage is currently voluntary under Hawaii's motor vehicle insurance statutes. Naturopathy is a treatment that is helpful and should be a mandated benefit. Your Committee believes that this measure will help consumers by mandating naturopathy as a required personal injury protection benefit.

Your Committee adopted the amendments suggested by State Farm Insurance Companies and others, which were agreed to by the measure's proponents. Specifically, this measure was amended by placing naturopathists under the same visit and cost cap as chiropractors and acupuncturists. Your Committee has also amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3222, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2396 Human Services on S.B. No. 2265

The purpose of this measure is to increase the personal needs allowance from \$20 to \$30 plus additional changes yearly based on COLA increase or decreases.

Testimony in favor of this measure was submitted by the Hawaii Disability Rights Center and eleven care home residents from Kauai. The Department of Human Services submitted comments.

Your Committee finds that many residents subsist on their Federal Supplemental Security Income and are literally on the edge and have no additional money for the basic expenses of life. Currently, Adult Residential Care Homes receive \$521 to \$630 monthly per resident from the State. However, these amounts do not specifically provide for their personal needs. Establishing a personal needs allowance will assist qualified residents in paying for basic living expenses.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the purpose section;
- (2) Clarifying that this measure establishes a personal needs allowance; and
- (3) Clarifying that the appropriated amount will be taken from the general fund.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2265, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2265, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2397 (Joint) Human Services and Health on S.B. No. 2654

The purpose of this measure is to appropriate additional funds to provide primary and preventative health care services to low-income uninsured immigrants.

Testimony in support of the measure was submitted by the Department of Human Services, Hawaii Primary Care Association, Kokua Council, Na Loio, and three individuals.

Your Committees find that Hawaii has among the highest percentage of immigrant residents in our nation. These immigrants contribute greatly to our culture and economy but many are only able to find types of employment that leaves them without employer-sponsored health insurance. Currently, low income immigrants are no longer eligible for public benefits like medicaid and QUEST until they have worked in the United States for at least five years.

This measure will provide additional funds needed for this basic program. Neglected health conditions will lead to more serious and costly treatment if left untreated, so by the time they are eligible for state health programs, their treatment will end up costing the State much more.

Your Committees have amended this measure by correcting the amount budgeted for FY2003.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2654, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2654, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Kokubun, Tsutsui).

SCRep. 2398 Human Services on S.B. No. 2923

The purpose of this measure is to authorize the Office of Youth Services to obtain criminal history and child abuse information on employees, prospective employees, and volunteers of its providers and subcontractors that necessitates contact with youth.

Testimony in favor of this measure was submitted by the Department of Human Services and Hale 'Opio Kaua'I. The Honolulu Police Department testified in opposition.

Your Committee finds that the Office of Youth Services oversees programs that service at-risk youth, and most of these services are contracted out to private agencies. Obtaining criminal history and child abuse records will assist the Office of Youth Services and its providers in determining whether a person is suitable for a position that requires contact with a youth. This process will ensure the health and safety of our youth.

Upon further consideration, your Committee has amended this measure by adding language to ensure avoidance of duplicative background checks by other public agencies.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2923, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2923, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2399 (Joint) Human Services and Health on S.B. No. 2929

The purpose of this measure is to change the start date for the reimbursement methodology for long-term care services and eliminate the sunset provision.

Testimony in favor of this measure was submitted by the Department of Human Services, Hawaii Long-Term Care Association, Hawaii Healthcare Association, and Hawaii Health Systems Corporations.

Your Committees find that Act 226, Session Laws of Hawaii 2000, provided a new long-term care reimbursement methodology to begin in 2003. However, this must be preceded by provider education and training, system changes to medicaid, and changes to long-term care facility resident assessment. This measure will allow for a gradual phasing in of the methodology to ensure that facilities can make necessary adjustments.

To avoid a sunset clause, your Committees have amended the effective date to June 29, 2004, and made technical, nonsubstantive changes.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2929, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2929, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Kokubun, Tsutsui).

SCRep. 2400 (Joint) Human Services and Health on S.B. No. 2930

The purpose of this measure is to make the following administrative amendments:

- (1) Extend statutory authority for licensing home and community-based case management agencies and the certification of community care foster family homes;
- (2) Make the Department of Human Services or its designee responsible for certifying any community care foster family home; and
- (3) Requires adult protective services perpetrator checks as a requirement for certification.

Testimony in support of this measure was submitted by the Department of Human Services and a member of the Policy Advisory Board on Elder Affairs.

Your Committees find that the Department of Human Services licenses home and community-based case management agencies and certifies community care foster family homes. Through this process, the department is able to ensure service quality and competency and is able to maintain oversight of the facilities. Furthermore, including adult protective service checks will establish a practice that is already being carried out to ensure the health and safety of individuals utilizing these facilities.

Technical, nonsubstantive amendments were made to conform to legislative drafting style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2930, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2930, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Kokubun, Tsutsui).

SCRep. 2401 (Joint/Majority) Human Services and Health on S.B. No. 3029

The purpose of this measure is to exempt certain physicians from obtaining preauthorization prior to dispensing medications to HIV/AIDS and hepatitis C patients on medicaid.

Testimony in opposition to the measure was submitted by the Department of Human Services.

Your Committees find that the procedure of requiring preauthorization of medicaid recipients before dispensing medications for the treatment of HIV/AIDS, hepatitis C, and immunosuppressives for transplant patients is difficult and time consuming for practitioners. Such patients require immediate treatment to avoid permanent injury or other undesirable consequences. The condition of these seriously ill patients will generally not remain stable for long without prompt treatment. To avoid prolonged hospitalization, which increases costs, this measure will assist in expediting the dispensing of necessary medications.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3029 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Ige, Kokubun, Tsutsui).

SCRep. 2402 (Joint) Human Services and Health on S.B. No. 3033

The purpose of this measure is to appropriate funds to restore basic dental care for adults enrolled in QUEST and medicaid.

Testimony in support of this measure was submitted by Hawaii Primary Care Association, Kokua Council, Kokua Kalihi Valley Comprehensive Family Services, and two individuals. The Department of Human Services submitted testimony in opposition.

Your Committees find that adults covered by medicaid and QUEST have low incomes and therefore are unable to afford basic dental care. Usually, their dental coverage is limited to emergency-only services. Recent research points to associations between chronic oral infections and diabetes, heart and lung disease, stroke, and low-birth-weight births. This measure will assist in reducing other costly medical services that result in poor dental health. Moreover, covering dental services through medicaid and QUEST earns a considerable federal match.

Upon further consideration, your Committees have amended this measure by:

- (1) Including the aged, blind, and disabled; and
- (2) Making an unspecified appropriation.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3033, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3033, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Kokubun, Tsutsui).

SCRep. 2403 (Joint) Human Services and Health on S.B. No. 3041

The purpose of this measure is to allow parents or guardians to admit individuals under the age of 18 to nonemergency treatment facilities without the consent of the individual.

Testimony in favor of the measure was submitted by the Hawaii Psychiatric Medical Association and two individuals. The Department of Health submitted testimony in opposition.

Your Committees find that youths who are experiencing mental health disorders for the first time are often unwilling to admit they are ill and need treatment. Schizophrenia is an example of a serious mental illness that often strikes male youths in their middle to late teen years. Other significant disorders that pose problems with self-recognition are depression or bi-polar disorder. It is often found that youths with a mental disorder will use drugs and alcohol to alleviate their symptoms. Parents are placed in a situation of witnessing their child deteriorate, begin to fail at school, or struggle to maintain a socially acceptable standard of behavior. This measure would provide a mechanism for needed parental intervention.

Upon further consideration, your Committees have amended this bill by clarifying the language to address legal concerns and adding language that treatment be based on the criteria set by the American Psychiatric Association or the American Academy of Child and Adolescent Psychiatry. Technical, nonsubstantive amendments were made for the purposes of style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3041, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3041, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Hooser, Kokubun).

SCRep. 2404 Human Services on S.B. No. 3089

The purpose of this measure is to prohibit the use of unsafe children's products and prohibit child care facilities from using or having them on the facility's premises.

Testimony in support of the measure was submitted by the Department of Human Services, Department of Health, and Kids In Danger.

Your Committee acknowledges that it is unacceptable for any child to die due to lack of information about unsafe, recalled products. The Consumer Protection Safety Commission (CPSC) recalls children's products at a rate of two per week. In 2001, this statistic amounted to over 23 million individual units, not including car seats. Since CPSC relies on the media to inform the public, many people remain unaware of dangerous products. This measure will help to accomplish a sound program of safety for the State.

To address some of the comments of the Department of Human Services and the Department of Health, your Committee has amended this bill by deleting the requirement that the Department of Health maintain a comprehensive list of unsafe children's products. Among other changes, your Committee made further amendments allowing the Department of Human Services to adopt rules regarding unsafe children's products in childcare facilities and publish and distribute a list of unsafe products.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3089, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3089, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2405 Human Services on S.B. No. 3134

The purpose of this measure is to ensure that there are cost reports for payments to long-term care providers and to appropriate funds for necessary reimbursements to providers.

Testimony in support of the measure was submitted by Healthcare Association of Hawaii and St. Francis Medical Center. The Department of Human Services submitted testimony in opposition.

Your Committee finds that long-term care facilities typically limit admissions to one or two patients who require dialysis due to lack of sufficient reimbursement. These patients usually require care that is far beyond that of average skilled nursing level patients. The additional costs are not covered by current reimbursement formulas. This measure will assist in covering the additional costs of necessary services.

Upon further consideration, your Committee has amended this measure by:

- (1) Clarifying that the cost reports relate to dialysis patients;
- (2) Clarifying that this measure does not affect all health care providers, only long-term care providers; and
- (3) Including a sunset clause.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3134, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2406 Water, Land, and Agriculture on S.B. No. 1556

The purpose of this measure is to change the present shoreline certification process by:

- (1) Changing the definition of “shoreline”;
- (2) Requiring state shoreline locators and private land surveyors to determine and certify shorelines;
- (3) Specifying qualifications for shoreline locators;
- (4) Requiring public notice when a locator goes onsite; and
- (5) Appropriating funds for a videographic study of the upper reaches of the wash of high seasonal surf around the islands.

Testimony in support of the measure was submitted by a council member of the County Council of Kauai; a council member of the Hawai'i County Council; Sierra Club, Hawaii Chapter; Hawaii Audubon Society; Hawaii's Thousand Friends; and three concerned individuals. Testimony in opposition to the measure was submitted by the Department of Land and Natural Resources; Office of Planning, Department of Business, Economic Development and Tourism; Land Use Research Foundation of Hawaii; and Hawaii Reserves, Inc. The Office of Hawaiian Affairs; Marine and Coastal Zone Advocacy Council; Verizon Hawaii; Hawaii Leeward Planning Conference; and 5 concerned individuals submitted comments on the measure.

Your Committee finds that the current definition of “shoreline” is being misinterpreted and misapplied in the shoreline certification process by an over-reliance on vegetation and debris line criteria. That situation is aggravated by shoreline property owners intentionally planting vegetation to artificially increase seaward boundaries. Your Committee finds that clearer and more reliable criteria for determining shoreline setbacks are needed to prevent further abuse. Your Committee agreed with the comments of the Office of Hawaiian Affairs and incorporated its recommendations for amending the measure.

Accordingly, your Committee amended the measure by:

- (1) Developing guidelines for identifying the shoreline;
- (2) Conforming the definition of “shoreline” in the Ocean Recreation and Coastal Areas Programs chapter of the Hawaii Revised Statutes;
- (3) Amending the definition of “shoreline” in the Coastal Zone Management chapter of the Hawaii Revised Statutes;
- (4) Specifying the contents of the notice required when a locator is going onsite;
- (5) Specifying the manner in which a proposed shoreline certification may be appealed; and
- (6) Making technical, nonsubstantive and conforming changes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1556, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2407 (Joint) Water, Land, and Agriculture and Economic Development on S.B. No. 2413

The purpose of this measure is to allow more agricultural businesses the opportunity to participate in state enterprise zones.

This measure:

- (1) Allows the Department of Business, Economic Development, and Tourism (DBEDT) to extend all tax incentives to existing qualified agricultural businesses for up to seven additional years;
- (2) Provides that when an agricultural business that is wholly or partially prevented from maintaining eligibility requirements as a state enterprise zone business due to certain specified natural disasters beyond its control, it is not disqualified; and
- (3) Clarifies the qualification requirement for agricultural businesses of increasing employment by replacing it with increasing cumulative average gross revenues for at least two per cent.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, Department of Agriculture, Land Use Research Foundation of Hawaii, Hawaii Farm Bureau Federation, Hawaii Agriculture Research Center, Hawaii Cattlemen's Council, and Pineapple Growers Association of Hawaii.

Your Committees find that agriculture in Hawaii is a vital component of Hawaii's economy. It provides the State with export products, a diversity of employment opportunities, a stage for tourism, and land and water stewardship. To encourage further economic development in rural areas, agriculture must be given the opportunity to prosper.

Your Committees further find that the state enterprise zone program is one method that provides business incentives to encourage agricultural activity.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2413 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 1 (Kanno).

SCRep. 2408 Water, Land, and Agriculture on S.B. No. 2784

The purpose of this measure is to appropriate funds for the renovation of the Paauilo rendering plant at Hamakua.

Testimony in support of this measure was submitted by Hawaii Cattlemen's Council and Hawaii Farm Bureau. Comments were also submitted by the Department of Agriculture.

Your Committee finds that the Paauilo rendering plant at Hamakua is in need of renovations to enable it to convert waste materials that no longer will be allowed to be disposed of at the Hilo landfill into useful byproducts. Your Committee believes that this measure will appropriate the needed funds to accomplish this goal.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2784 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2409 Water, Land, and Agriculture on S.B. No. 2785

The purpose of this measure is to appropriate \$750,000 for the planning and construction of the Honomalino irrigation system in Kona, Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture, the Hawaii Farm Bureau, the Hawaii Agriculture Research Center, and the Honomalino Irrigation Cooperative.

Your Committee finds that the South Kona region of the Big Island of Hawaii is susceptible to long droughts, which can be devastating to farm crops produced in the area. Your Committee further finds that this region is currently not served by any public water system, although it sustains the production of various crops, including macadamia nut, Kona coffee, avocado, tropical flower, vegetable, and other crops. Assessment of the economic feasibility of constructing an irrigation system in this region has been completed which indicates that the project has a viable benefit-to-cost ratio. Upon the completion of the planning stages of the project, the design and construction phases may begin which will require adequate funding by the State to be matched by federal funds. Therefore, your Committee determines that the appropriation of funds is necessary to provide for a reliable water system to ensure agricultural sustainability in this region.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2785 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2410 (Joint) Water, Land, and Agriculture and Economic Development on S.B. No. 2869

The purpose of this measure is to clarify the power of the Hawaii Community Development Authority to act as an ombudsman for issues of concern within the Kalaeloa community development district.

Testimony in support of this measure was submitted by the Hawaii Community Development Authority.

Your Committees find that there is a need to clarify the Hawaii Community Development Authority's power to:

- (1) Receive and follow up complaints with appropriate landowners within Kalaeloa;
- (2) Take a proactive role in investigating, researching, and monitoring problem areas; and
- (3) Report to the landowners in the district regarding the nature and number of complaints and inquiries to ensure proper notification at the highest levels.

Your Committees believe that this measure will accomplish these needs.

Your Committees have amended this measure to make technical, nonsubstantive changes.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2869, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2869, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 1 (Kanno).

SCRep. 2411 Water, Land, and Agriculture on S.B. No. 2968

The purpose of this measure is to give the Department of Land and Natural Resources authority to implement a mandatory department-wide administrative hearing system.

Testimony in support of this measure was submitted by the Board of Land and Natural Resources, Hawaii Audubon Society, Sierra Club - Hawaii Chapter, and one individual.

Your Committee finds that there is a need to have a department-wide administrative hearing system for the Board of Land and Natural Resources, and your Committee believes that this measure will address that need.

Your Committee has amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2968, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2968, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2412 Water, Land, and Agriculture on S.B. No. 2971

The purpose of this measure is to extend the conservation and resources program of the Department of Land and Natural Resources (DLNR) to protection of caves, historic preservation, and Kaho'olawe Island Reserve.

Testimony in support of this measure was received from the DLNR and one individual.

Your Committee finds that extending the jurisdiction of the conservation and resources enforcement program of the DLNR is congruent with the current practice of the DLNR.

Your Committee has amended this measure by making clarifying amendments to enhance the intent and making technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2971, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2413 (Joint/Majority) Water, Land, and Agriculture and Economic Development on S.B. No. 3025

The purpose of this measure is to provide that the Department of Business, Economic Development, and Tourism (DBEDT) has sole jurisdiction over the Land Use Commission, state planning, and the State Planning Act.

This measure prohibits the transfer of these functions to another department.

Testimony in support of this measure was received from Hawaii's Thousand Friend and two individuals. Testimony in opposition was received from DBEDT, Department of Land and Natural Resources (DLNR), Office of Planning (OP), and Hawaii Leeward Planning Conference.

The Hawaii Revised Statutes specifically establishes the OP within DBEDT, and provides that the OP shall assist DBEDT in maintaining an overall framework to guide the development of the State. Among its other duties, the OP prepares the guidelines for the state functional plans, and provides recommendations to the governor and state and county agencies on conflicts between the functional plans, the Hawaii State Planning Act, state programs, and county plans.

Your Committees find that the power to direct the OP to report to a principal department other than DBEDT rests solely within the Legislature. Your Committees believe that land use and state planning are a better fit in DBEDT than at DLNR, given the economic nature of land use and state planning notwithstanding that land is involved. In Hawaii, land use and land planning are integral to the overall economic development of the State.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3025 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, 1 (Trimble). Excused, 1 (Kanno).

SCRep. 2414 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on S.B. No. 3044

The purpose of this measure is to provide a penalty provision for violation of the law on public access to coastal and inland recreational areas.

The bill makes it a misdemeanor to restrict public access to the sea, shoreline, or any inland recreational areas and adds a fine of \$1,000 or more for a second offense, and a fine of \$2,000 or more for a third and subsequent offense.

Testimony in support of this measure was received from the Hawaii Audubon Society, Sierra Club Hawaii Chapter, one Maui County Council member, and seven individuals.

The intent of this measure is to protect access to public resources by discouraging residents from attempting to block public access. This would also apply to new developments. Your Committees find that public access should remain open and accessible as part of our island heritage.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3044 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Baker, Menor).

SCRep. 2415 Water, Land, and Agriculture on S.B. No. 3051

The purpose of this measure is to set forth the policies and procedures for identifying and managing important agricultural lands; direct the Agribusiness Development Corporation to convene a task force to develop incentives for important agricultural lands; and allow agricultural tourism, holiday, and agricultural-related special events on agricultural district lands.

Testimony in opposition to the measure was submitted by the Land Use Research Foundation of Hawaii. The Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; Hawaii Audubon Society; Big Island Business Council; Hawaii Leeward Planning Conference; Kamehameha Schools; Estate of James Campbell; Hawaiian Marine Enterprises; and Hawaii Cattlemen's Council, Inc. submitted comments on the measure.

This measure and Senate Bill No. 3052 contain a number of provisions regarding the identification of important agricultural lands that are similar to those proposed by the Agricultural Working Group. Your Committee believes that the issues presented in both measures would be best addressed in a single measure and find that this measure should be used as a vehicle to address other priorities concerning important agricultural lands.

Accordingly, your Committee has amended this measure by deleting its contents and inserting language that establishes the state agricultural land protection program to assist the State in the acquisition of agricultural easements on lands identified as important agricultural lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3051, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3051, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2416 Water, Land, and Agriculture on S.B. No. 3052

The purpose of this measure is to establish the policies and procedures for identifying and managing important agricultural lands; direct the Agribusiness Development Corporation to convene a task force to develop incentives for important agricultural lands; and appropriate funds for the counties and the Agribusiness Development Corporation to implement the measure.

Testimony in support of the measure was submitted by the Department of Planning and Permitting of the City and County of Honolulu and the Planning Department of the County of Hawaii. The Department of Land and Natural Resources, College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, and Hawaiian Marine Enterprises submitted comments on the measure.

Your Committee finds that there is a compelling need to fulfill the constitutional mandate to identify and protect important agricultural lands in the State. As an irreplaceable resource that is threatened by urbanization, agricultural lands must be preserved to ensure the future of agriculture in Hawaii. Your Committee finds that this measure provides the most comprehensive approach to meet those responsibilities. This measure and Senate Bill No. 3051 contain a number of provisions regarding the identification of important agricultural lands that are similar to those proposed by the Agricultural Working Group. Your Committee believes that the issues presented in both measures would be best addressed by combining the two measures.

Accordingly, your Committee has amended this measure by inserting language from Senate Bill No. 3051 that:

- (1) Provides the Land Use Commission with independent authority to identify and map important agricultural lands;
- (2) Reserves the authority to amend the district boundaries for important agricultural lands of any size to the Land Use Commission; and
- (3) Allows agricultural tourism and holiday- or agriculture-related special event activities on agricultural district lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3052, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2417 Water, Land, and Agriculture on S.B. No. 3129

The purpose of this measure is to appropriate funds to conduct a study to determine the best mitigation measure to control peak flows entering Lake Wilson from storms and to implement measures to prevent further downstream damage.

Testimony in support of this measure was submitted by Castle and Cooke Homes Hawaii, Inc. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that severe storms cause massive volumes of water to flow into Lake Wilson in a short period of time and flood surrounding areas. Your Committee further finds that it is in the best interest of the State to determine and construct an effective means to mitigate or prevent further damage to property or loss of life caused by the flooding.

Your Committee believes that this measure will appropriate necessary funds to conduct a study to mitigate peak flows entering Lake Wilson and implement measures needed to prevent further damage.

Your Committee has amended this measure to remove the appropriated dollar amounts in sections 3 and 4, leaving the amounts to be determined by the Ways and Means Committee.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3129, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2418 Water, Land, and Agriculture on S.B. No. 3195

The purpose of this measure is to appropriate funding to support Future Farmers of America programs.

Your Committee received testimony in support of the measure from the Department of Education and a former member of Future Farmers of America at Waialua High and Intermediate School. Your Committee also received comments from the Board of Agriculture.

Your Committee finds that Future Farmers of America is an organization that not only encourages excellence in farming, but promotes leadership, confidence, self-esteem, and perseverance as well.

Your Committee has amended the measure to note that this valuable program is celebrating its seventy-fifth anniversary nationwide.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3195, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2419 (Joint/Majority) Education and Labor on S.B. No. 2055

The purpose of this measure is to:

- (1) Provide that the salary schedules of principals and vice-principals and of all other educational officers shall be based on a twelve-month term of service; and
- (2) Provide retention bonuses for principals and vice-principals.

Your Committees received testimony in support of the measure from the Department of Education and Hawaii Government Employees Association. Your Committees received comments regarding the measure from the Department of Budget and Finance.

Your Committees find that principals, vice-principals, and other educational officers typically work through most if not all of the summer months. It is unfair to expect them to essentially work for free. They should be placed on a twelve-month term of service in order to compensate them appropriately. Nevertheless, the cost of placing all such employees on twelve-month terms of service would be prohibitive, in addition to the fact that some elementary and middle schools tend to be smaller than high schools and may not have enough volume of work to justify the shift.

Your Committees have amended the measure by placing only high school principals on twelve-month terms of service.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2055, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2055, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 1 (Slom). Excused, 3 (Menor, Taniguchi, Tsutsui).

SCRep. 2420 Education on S.B. No. 2070

The purpose of this measure is to appropriate funding for the Hawaii Teacher Standards Board.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii Teacher Standards Board, Hawaii State Teachers Association, Hawaii Association of Independent Schools, Hawaii Business Roundtable, and an individual.

Your Committee finds that independent licensing boards are being established in states throughout the nation as part of an important effort to build and support the teaching profession. In spite of some growing pains as the organization comes up to speed, it has been fulfilling this mandate. One of the primary impediments to its stable operation is the difficulty it has in attracting qualified staff.

Your Committee further finds that although there is no statutory impediment to its hiring of permanent staff, the board is only attached administratively to the Department of Education and is not included in their annual budget. For this reason, the board must approach the Legislature for funding each year to supplement the fees it collects from its members. The Legislature should review its budgetary procedures regarding this entity in an attempt to staff the board with more permanent positions than the three it currently has.

Your Committee has amended the measure to provide for the conversion of two existing Hawaii Teacher Standards Board positions to permanent ones.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2070, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2070, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2421 Education on S.B. No. 2071

The purpose of this measure is to:

- (1) Create a teacher national board certification incentive program; and
- (2) Appropriate funding to provide national board certified teachers with \$5,000 per year.

Your Committee made available for public review a proposed Senate Draft for this measure, in which the original contents were removed and replaced with a provision repealing the Hawaii School-to-Work Executive Council.

Your Committee received testimony in support of the proposed Senate Draft from the Department of Education.

Your Committee finds that the Hawaii School-to-Work Executive Council has reported that the last expenditure of federal funds allocated to Hawaii by the School-to-Work Opportunities Act of 1994, Public Law 103-239 was on September 20, 2003. Federal funding for Hawaii School-to-Work ended in 2000. The final closeout report on the accomplishments of Hawaii School-to-Work has been sent to the federal government. The program's key initiatives are now established with other public and private entities, including the Department of Education, Workforce Development Council, and the Hawaii P-20 Initiative.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2071, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2071, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Menor, Tsutsui, Hogue).

SCRep. 2422 (Joint) Education and Labor on S.B. No. 2197

The purpose of this measure is to:

- (1) Establish the school work-study program and special fund to provide students with paid work experience and employers with reliable entry-level workers; and
- (2) Give first priority for participation in the program to students with a disability who are eligible for post-secondary transition services.

Your Committees received testimony in support of the measure from the Department of Education and Hawaii State Teachers Association. Your Committees received comments from the Department of Budget and Finance.

Your Committees find it laudable to increase the amount and quality of work-study opportunities and the amount of reliable entry-level workers. Nevertheless, these worthy objectives can be accomplished without the creation of a special fund.

Your Committees have amended the measure by:

- (1) Eliminating all references to the proposed special fund; and
- (2) Clarifying that students in work-study programs are covered by the State's workers compensation law, whether working at state agencies or in private organizations.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2197, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2197, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Menor, Taniguchi, Tsutsui).

SCRep. 2423 Education on S.B. No. 2283

The purpose of this measure is to appropriate funds for the design and construction of a permanent administration building for Sunset Beach Elementary School.

Testimony in support of this measure was received from the school/community-based management council of the Sunset Beach Elementary School.

Your Committee finds that the new facility is necessary for the school's administration functions. The current office is in a portable that is insufficient for conducting school business.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2283 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2424 Education on S.B. No. 2320

The purpose of this measure is to require at least one permanent vice principal position at every public school irrespective of the size of school enrollment, and to make an appropriation therefor.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii State Teachers Association, and Hawaii Government Employees Association.

Your Committee finds that the changing role of the principal's job is overwhelming. The federal No Child Left Behind Act and other educational initiatives as well as the changing demographics of our State impact on their jobs. As a result of these and other changes, basic staffing requirements should be adjusted, including the allocation of vice principals. This measure provides much needed support for schools currently led by a single administrator. However, your Committee further finds that to provide a permanent vice principal position at every public school irrespective of the size of school enrollment would be very costly, and may be unnecessary at many small schools.

Your Committee has amended the measure by:

- (1) Deleting the mandate that a permanent vice principal position be provided at every public school irrespective of the size of school enrollment;
- (2) Clarifying the appropriation to provide ten additional permanent vice principal positions to be assigned to Department of Education schools based upon greatest need as determined by the department according to special education needs and other applicable criteria; and
- (3) Eliminating the provision limiting the waiver of certification that may be granted by the Department of Education to vice-principal candidates with appropriate administrative experience to a period of up to five years.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2320, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Menor).

SCRep. 2425 (Joint) Education and Water, Land, and Agriculture on S.B. No. 2369

The purpose of this measure is to authorize the issuance of general obligation bonds and to make an appropriation for the College of Tropical Agriculture and Human Resources at the University of Hawaii-Hilo, for purposes of designing, constructing, and equipping renovations and building replacement greenhouses at the Komohana Research and Outreach Center.

Testimony in support of this measure was received from the University of Hawaii, Nalo Farms, and Hawaiian Host.

Your Committees find that the proposed renovation and improvement of the Komohana Research and Outreach Center will benefit the College of Tropical Agriculture and Human Resources at the University of Hawaii-Hilo, Hawaii Community College, and stakeholders in the college. The current facilities are outdated and the faculty are split between two sites, the other being the Beaumont Agricultural Research Center on campus.

As affirmed by the records of votes of the members of your Committees on Education and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2369 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Aduja, Menor, Tsutsui, Hogue).

SCRep. 2426 (Joint) Education and Water, Land, and Agriculture on S.B. No. 2370

The purpose of this measure is to authorize the issuance of general obligation bonds for University of Hawaii to develop a long-range plan for a Waimanalo research and outreach center.

Your Committees received testimony in support of the measure from the University of Hawaii, College of Tropical Agriculture and Human Resources Board of Advisors, Dean of the College of Tropical Agriculture and Human Resources, Hawaii Pork Industry Association, Hawaiian Host Chocolates, Castle and Cooke Homes Hawaii, Inc., Nalo Farms, Inc., and an individual. Your Committees received testimony in opposition to the measure from Life of the Land, Center for Encounters and Active Non-Violence, Respiratory and Environmental Disabilities of Hawaii, Waikiki Hawaiian Civic club, KNOWGMOs – Oahu, Gravity Hawaii, a Waimanalo resident, three organic farmers from Waimanalo, and six individuals.

Your Committees find that diversified agriculture is an important section of the local economy and should be encouraged. Nevertheless, your Committees have strong environmental and community concerns. Your Committees hope that this project will

neither repeat the environmental damage caused by the College of Tropical Agriculture and Human Resources' existing research facility on the north shore of Oahu, nor will it compound the environmental damage, escape of trans-genes, and release of noxious odors into the Waimanalo environment as took place with previous agricultural and biotechnology efforts in that community.

Your Committees further find that these community and environmental concerns must be taken into account in the development of this project. Measures must also be taken to protect the financial security of Waimanalo's thriving organic farm industry and the safety of the food it produces.

Your Committees have amended this measure by adding a section stating that the plan for a research and outreach center shall include comprehensive research on the potential impacts of genetically modified organism research in Hawaii and recommend appropriate protocols and implementation guidelines that will ensure the integrity of locally grown food crops and indigenous plants.

As affirmed by the records of votes of the members of your Committees on Education and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2370, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2370, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Aduja, Menor, Tsutsui, Hogue).

SCRep. 2427 Commerce Consumer Protection and Housing on S.B. No. 2105

The purpose of this measure is to provide procedures for mediation of condominium management disputes.

Testimony in support of this measure was received from the Hawaii Independent Condominium & Cooperative Owners and fifteen individuals. Testimony in opposition was received from the Real Estate Commission, Community Associations Institute, Hawaii Realtors Association, and one individual.

Current law provides for mediation of disputes between an apartment owner and the board of directors in section 514A-121.5, Hawaii Revised Statutes (HRS). However, the law does not include any procedures, in contrast to arbitration procedures in section 514A-121, HRS, which essentially provides that the arbitration procedures be governed by rules adopted by the Real Estate Commission.

Although the Real Estate Commission objected to this measure, your Committee finds that the objections are based on differences in approach and on administration, which are not fatal to the measure.

Accordingly, your Committee has amended this measure by inserting the proposed new part into section 514A-121.5, HRS, as being more appropriate. As amended, this measure places the jurisdiction over the mediation process with the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs rather than the Real Estate Commission.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2105, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2428 Commerce Consumer Protection and Housing on S.B. No. 2358

The purpose of this measure is to establish a process for resolving construction disputes that provides a contractor with the opportunity to repair a construction defect prior to the dispute proceeding to litigation.

The Coalition of Hawaii Engineering and Architectural Professionals, Building Industry Association-Hawaii, Pacific Structural Consultants, Inc., and Land Use Research Foundation of Hawaii testified in support of this measure. The Department of Commerce and Consumer Affairs supported the bill's intent. The Community Associations Institute (CAI) and Neely and Anderson LLP opposed the measure. The Judiciary and Consumer Lawyers of Hawaii presented comments.

This measure establishes a process of resolving disputes over construction defects that provides a contractor with notice of the construction defect claim and an opportunity to repair the defect, and for submission of the dispute to nonbinding arbitration if the claim is rejected or cannot be settled. This measure also requires that construction contracts provide notice to customers of their rights and obligations under the process.

Your Committee finds that the intent of this measure is to facilitate the amicable and nonlitigious resolution of claims, enable property owners to more quickly regain the full use of affected structures, reduce the cost of general liability insurance coverage for contractors, and ultimately reduce the cost of construction for consumers in Hawaii.

Your Committee further finds that concerns have been raised about the proposed process by parties such as CAI, including concerns that:

- (1) The time requirement for a claimant's response to a contractor's settlement offer places an unwarranted hardship on homeowners' associations that only convene on a periodic basis;
- (2) Claimants may lack access to the information necessary to evaluate the reasonableness of a contractor's settlement offer; and
- (3) A claimant's obligation to disclose the basis for the claimant's rejection of the contractor's settlement offer unduly prejudices the claimant's legal position and may require the disclosure of privileged communications.

Your Committee further finds that these and other concerns raised about the process merit further consideration, and that the affected parties should be provided with the opportunity to propose alternate language that addresses the concerns. Accordingly, in order to facilitate further review and discussion, your Committee has amended this measure by inserting a delayed effective date of July 1, 2030.

Additionally, your Committee has amended this measure by:

- (1) Adding a definition for "mediation"; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2358, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Whalen).

SCRep. 2429 Commerce Consumer Protection and Housing on S.B. No. 3193

The purpose of this measure is to amend certain provisions of Act 77, Sessions Laws of Hawaii 2002, relating to the imposition of limits on the pre-tax wholesale and retail prices of regular unleaded gasoline in the State. In 2002, the Legislature found that the gasoline market in Hawaii was dominated by an uncompetitive oligopoly. Major oil producers were realizing profit margins in the State that were much higher than those in other regional markets on the Mainland. The end result was that consumers in Hawaii were consistently paying the highest gasoline prices in the Nation.

Your Committee on Commerce, Consumer Protection, and Housing finds that the situation remains unchanged. Hawaii's gasoline consumers continue to pay the highest gasoline prices in the country, without any acceptable justification, while gasoline prices have fallen considerably on the Mainland. Accordingly, strong and effective measures are needed to bring relief to Hawaii's consumers from high gasoline prices. Meanwhile, the petroleum industry and critics of Act 77 have failed to offer any effective and meaningful alternatives to Act 77 or to the contents of this measure.

While continuing to support the intent and content of Act 77, your Committee believes that Act 77 can be improved upon and made more effective in reaching its goal of lower gasoline prices. Act 77 imposed limits on the price of gasoline using a benchmark based on the average spot pipeline daily prices for regular unleaded gasoline in the markets of Los Angeles, San Francisco, and the Pacific Northwest. However, your Committee finds that these regional markets may be too volatile and not an appropriate basis for determining maximum gasoline prices for Hawaii.

Your Committee further finds that it may be appropriate to extend the gasoline price limits to mid-grade and premium gasoline and to diesel fuel. Further, due to the small size and unusual characteristics of the gasoline markets of Molokai and Lanai, gasoline price limits may not be appropriate for those markets at this time.

This measure:

- (1) Changes the baseline for determining maximum pre-tax wholesale and retail gasoline prices by using the national average spot price reported by the Oil Price Information Service;
- (2) Extends the maximum pre-tax wholesale and retail price limits to mid-grade and premium gasoline and diesel fuel; and
- (3) Repeals the price limits on the sale of gasoline on the islands of Molokai and Lanai.

Your Committee received testimony in favor of this measure from seven individual gasoline consumers and representatives of Citizens Against Gasoline Price Gouging and Advocates for Consumer Rights, Hawaii Government Employees' Association, Hotel Employees and Restaurant Employees Local 5, AFL-CIO, and Hawaii Alliance for Retired Americans. Also, testimony in favor of this measure was received from a retail gasoline dealer on the island of Maui.

Your Committee received testimony in opposition to this measure from the Department of Business, Economic Development, and Tourism, the Chamber of Commerce of Hawaii, Tesoro Hawaii Corporation, Aloha Petroleum, Ltd., Western States Petroleum Association, Hawaii Petroleum, Inc., Maui Petroleum, Inc., Hawaii Island Portuguese Chamber of Commerce, International Brotherhood of Electrical Workers, and two gasoline jobbers, as well as from several retail gasoline dealers.

The Public Utilities Commission expressed some concerns regarding this measure.

Your Committee is mindful of the concerns raised in response to this measure and is especially cognizant of the concerns raised by some retail dealers, including several Neighbor Island retail dealers. Your Committee will attempt to address these concerns as the measure is further considered.

Your Committee has amended this measure by making some technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3193, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

SCRep. 2430 Science, Arts, and Technology on S.B. No. 2380

The purpose of this measure is to provide statutory authority for the funding of the State Art Museum and incorporate the State Art Museum, the Arts in Public Places program, and the Relocatable Works of Art program under the State Foundation on Culture and the Arts.

The State Foundation on Culture and the Arts and the Hawaii Consortium for the Arts testified in support of the measure.

Your Committee finds that this measure will clarify the role and responsibilities of the State Foundation on Culture and the Arts as it relates to the operations of the State Art Museum, as well as the Arts in Public Place program and the Relocatable Works of Art program. Moreover, testimony submitted by the State Foundation on Culture and the Arts suggested that a non-profit entity called the "The Friends of the Hawaii State Art Museum" be created to receive funds in support of the State Art Museum, proceeds from product sales, revenues from the museum's facility rental program, and private contributions. Such an entity is integral to the growth and success of the State Art Museum, as exemplified by other similar organizations such as the Friends of the Judiciary Historic Center and the Friends of Iolani Palace. Finally, this measure will ensure that Hawaii's unique and beautiful artwork will be properly managed, preserved, and placed on display for the people of Hawaii to enjoy and appreciate.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2380 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2431 Science, Arts, and Technology on S.B. No. 2392

The purpose of this measure is to authorize the High Technology Development Corporation to issue special purpose revenue bonds on behalf of Electricore, Inc., a high technology industrial enterprise.

Testimony in support of the measure was received by Electricore, Inc. Offering comments on the measure was the Department of Budget and Finance.

Your Committee finds that the issuance of special purpose revenue bonds to assist Electricore, Inc., a Hawaii based corporation, will help diversify and expand Hawaii's economy in the field of high technology. Electricore, Inc. is a consortium of science, commercial, and military partners that concentrates its research efforts in the fields of emerging technologies and operational concepts. Specifically, Electricore, Inc. has developed unmanned vehicle systems and unmanned aerial vehicles that have potential application in a diverse array of fields including defense and homeland security as well as science and commercial applications.

Your Committee has amended the measure by making technical, non-substantive changes.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2392, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 2432 Science, Arts, and Technology on S.B. No. 2627

The purpose of this measure is to establish the rights and duties of artists and art dealers under an agreement for the consignment of art.

Testimony in support of the measure was received by one individual.

Your Committee finds that this measure is designed to protect both artists and art dealers by clearly establishing their respective rights and duties under a consignment agreement.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2627 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2433 (Joint) Science, Arts, and Technology and Commerce Consumer Protection and Housing on S.B. No. 2912

The purpose of this measure is to implement a three-year pilot program to provide additional funding to support public, educational, and governmental cable television access in underserved areas.

Testimony in support of the measure was received from the Department of Commerce and Consumer Affairs; the Department of Education (supports intent); the University of Hawaii (supports intent); Olelo Community Television (supports intent); Na Leo O Hawaii; the League of Women Voters of Hawaii; and Akaku: Maui Community Television. Testimony in opposition to the measure was received from one individual.

Your Committees find that this measure expands the public, educational, and governmental television access system to underserved or geographically isolated areas. Providing additional resources would enable the public, educational, and governmental television access system to implement new programs and upgrade facilities in order to expand and meet the needs of these underserved communities.

Your Committees have amended the measure by:

- (1) Changing the effective date to July 1, 2020 to make the bill defective in order to promote continuing discussions;
- (2) Changing the amount of funding for this pilot program to \$1 for fiscal year 2004-2005;
- (3) Removing language from the measure that states that the Institutional Network has been largely deployed, in response to concerns by the University of Hawaii and the Department of Education that this measure would reallocate funding sources from the Institutional Network; and
- (4) Providing for the creation of an Institutional Network Advisory Committee comprised of representatives from the Department of Accounting and General Services, the Department of Commerce and Consumer Affairs, the Department of Education, and the University of Hawaii, to ensure that future expansion of the Institutional Network is well coordinated and funded.

The proposed process to provide funds to the public, governmental, and educational television access system organizations is similar to the grant process defined in chapter 42F. Your Committees request that the Committee on Ways and Means review and determine the appropriate process to use.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2912, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2912, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Aduja, English, Sakamoto, Whalen).

SCRep. 2434 (Joint) Science, Arts, and Technology and Education on S.B. No. 3021

The purpose of this measure is to establish an open source software pilot project within the Department of Education to assist in establishing and implementing a policy on the purchase and use of open source software applications within that department. The measure also makes an unspecified appropriation to the Department of Education to fund this pilot project.

The Department of Education testified in support of the measure.

Your Committees find that this open source software pilot project would enable the Department of Education to conduct a broader and more comprehensive evaluation of open source software applications with potential future use of this software in statewide administrative systems as well as for school-based instructional purposes.

Your Committees have amended the measure by making an unspecified appropriation for this open source software pilot project to be expended by the Department of Education.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3021, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3021, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Kawamoto, Menor, Hemming, Hogue).

SCRep. 2435 Education on S.B. No. 2059

The purpose of this measure is to:

- (1) Establish academic achievement, safety and well-being, and civic responsibility as the agreed upon goals for Hawaii's public education accountability; and
- (2) Define civic responsibility.

Your Committee received testimony in support of the measure from the Department of Education.

Your Committee finds that accountability has the potential to be one of the pillars of educational reform, ensuring high academic achievement, student health and safety, and enhanced civic commitment. As with any far-reaching reform, however, it cannot be engaged in all at once. This measure represents another significant episode in an ongoing effort to establish an accountability framework for the public educational system with clear, concrete objectives.

Your Committee has amended the measure by:

- (1) Correcting the number of students in the public educational system from 189,000 to 183,000;
- (2) Eliminating employees from the accountability provision from the purpose section;
- (3) Eliminating references to concrete examples of the contemporary importance of civic responsibility from the purpose section;
- (4) Specifying a host of longitudinally-tracked performance indicators as to what shall be tracked to measure accountability.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2059, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2436 (Joint) Education and Science, Arts, and Technology on S.B. No. 2379

The purpose of this measure is to:

- (1) Establish the construction research program within the University of Hawaii at Manoa, College of Engineering; and
- (2) Appropriate funds to be used for the center's programs and functions.

Your Committees received testimony in support of the measure from an associate professor at the University of Hawaii Department of Civil and Environmental Engineering, the head of the Purdue University Division of Construction Engineering and Management, and a private individual. Your Committees received testimony in opposition to the measure from the Director of Finance.

Your Committees find that the implementation of construction research promises immense dividends for the largest industrial sector of the national and state economy. The University of Hawaii offers an excellent location for the conduct of such construction research. Construction research spanning the entire life cycle of projects - from inception to maintenance, covering the important stages of design, procurement, and construction, including dispute resolution and risk mitigation - could result in considerable cost savings and accumulation of best practices data.

Your Committees have amended the measure by:

- (1) Eliminating almost all of an unnecessarily verbose purpose section;
- (2) Adding a provision requiring the center to collaborate with the construction industry on specific projects; and
- (3) Eliminating a specific appropriation amount.

As affirmed by the records of votes of the members of your Committees on Education and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2379, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2379, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Kawamoto, Menor, Hemmings, Hogue).

SCRep. 2437 (Joint) Education and Water, Land, and Agriculture on S.B. No. 2408

The purpose of this measure is to appropriate funding to the University of Hawaii to support College of Tropical Agriculture and Human Resources research, instruction, and outreach programs.

Your Committees received testimony in support of the measure from University of Hawaii, Hawaii Intergenerational Network, Kulia na Mamo, Honolulu Community Action Program, Inc., Hawaii Farm Bureau Federation, Nalo Farms, Inc., Big Island Candies, Hawaii Host Chocolates, HPC Foods, Ltd., Green Point Nurseries, Hawaii Cattlemen's Council, Inc., Department of the Army, Good Beginnings Alliance, Director of the Center of Children and Families, Parents and Children Together, Aloha United Way, Hawaii Meals on Wheels, Inc., PATCH, and thirteen individuals.

Your Committees find that this omnibus appropriations measure on behalf of the College of Tropical Agriculture and Human Resources includes many worthy projects that will help facilitate the development of two important areas of Hawaii's economic and social life: agriculture and human capital investment. Nevertheless, in lean budget times, not all worthwhile projects can be funded.

Your Committees recognize that the measure may contain a title problem. However, your Committees passed the measure in order to show support for the proposals contained in the measure.

Your Committees have amended the measure by eliminating any specific appropriation figures for new projects, while leaving the figures for ongoing projects untouched.

As affirmed by the records of votes of the members of your Committees on Education and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2408, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2408, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Aduja, Menor, Tsutsui, Hogue).

SCRep. 2438 Education on S.B. No. 2449

The purpose of this measure is to appropriate money for the repair and construction of the physical education courts at Aiea intermediate school.

Your Committee finds that the physical education courts at Aiea intermediate school have fallen into a state of disrepair and need to be replaced. Your Committee believes that this measure will appropriate the necessary funds to replace the current physical education courts.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2449 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2439 (Joint) Education and Water, Land, and Agriculture on S.B. No. 2475

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation for a new office building for the extension program on Molokai.

Testimony in support of this measure was received from the University of Hawaii, one Maui County Council Member, Nalo Farms, and Hawaiian Host.

Your Committees find that the cooperative extension programs on Molokai, provided through the College of Tropical Agriculture and Human Resources of the University of Hawaii, have been a major contributor to the development of Hawaii's economy and communities. The college has worked with children, entrepreneurs, professionals, educators, homeowners, and others, empowering them to make more informed choices about their professional and personal lives.

The Molokai extension program was forced to vacate a Department of Hawaiian Home Lands building after the building burned down in 1979. Their current temporary location is shared with the Maui Community College agriculture program within a converted metal barn that is not compliant with the Americans with Disabilities Act, contains no drinking water, and is known to have been infested with vermin. Furthermore, the farm building provides less than one-half of the space needed by the extension program. Your Committees find that the new office building is necessary for this valuable program.

As affirmed by the records of votes of the members of your Committees on Education and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2475 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Aduja, Menor, Tsutsui, Hogue).

SCRep. 2440 (Joint/Majority) Commerce Consumer Protection and Housing, Judiciary and Hawaiian Affairs and Labor on S.B. No. 2884

The purpose of this measure is to expand the authority of the Insurance Fraud Investigations Branch to investigate and prosecute insurance fraud in all lines of insurance.

Testimony in support of this measure was received from the following: Department of Commerce and Consumer Affairs, Department of Labor and Industrial Relations, Hawaii Insurers Council, Hawaii Coalition for Health, Davis Levin Livingston Grande, Hawaii Independent Insurance Agents Association, National Federation of Independent Business, Hawaii Employers' Mutual Insurance Company, Hawaii Congress of Health Professionals, The Chamber of Commerce of Hawaii, and numerous individuals. The Hawaii State AFL-CIO, ILWU Local 142, and the Hawaii Medical Service Association testified against the measure. State Farm Insurance Companies, the American Council of Life Insurers, and the Hawaii Association of Health Plans presented comments.

Currently, the authority of the Insurance Fraud Investigations Branch is limited to the investigation and prosecution of fraudulent motor vehicle insurance claims. While Act 125, Session Laws of Hawaii 2003, defined and established penalties for health insurance fraud, the law did not expand the authority of the Insurance Fraud Investigations Branch to enforce the health insurance fraud laws. Similarly, chapter 386, Hawaii Revised Statutes, prohibits and penalizes workers' compensation fraud, but does not designate an enforcement entity.

This measure establishes a comprehensive system of insurance fraud law enforcement by extending the authority of the Insurance Fraud Investigations Branch to investigate and prosecute fraud committed in all lines of insurance. Additionally, this measure expands the offense of insurance fraud to include providing false information on insurance applications and policies and in insurance sale transactions, authorizes civil and administrative remedies, and requires that fines and settlements be deposited into the Compliance Resolution Fund to defray the costs of the operations of the Insurance Fraud Investigations Branch.

Your Committees acknowledge that workers' compensation fraud is an important issue and one that should be carefully and thoroughly reviewed and discussed by this Legislature. However, your Committees find that this issue may be more appropriately addressed in other legislative bill vehicles currently pending before the Legislature, and have therefore amended this measure to delete language extending the authority of the Insurance Fraud Investigations Branch to workers' compensation fraud.

Additionally, your Committees have amended this measure by:

- (1) Clarifying that the Branch's jurisdiction extends to fraud committed with respect to managed care plans;
- (2) Clarifying that the "knowing" state of mind that is an element of the offense of criminal fraud is subject to the state of mind standard established in the penal code;
- (3) Inserting a delayed effective date of July 1, 2030 to facilitate further review and discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Judiciary and Hawaiian Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2884, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2884, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 13. Noes, 1 (Slom). Excused, 3 (Ige, Taniguchi, Whalen).

SCRep. 2441 (Joint/Majority) Tourism and Judiciary and Hawaiian Affairs on S.B. No. 2711

The purpose of this measure is to allow the Hawaii Tourism Authority (HTA) to employ its own attorneys.

This measure also:

- (1) Provides that any contract or subcontract of the HTA that is funded with public funds are government records subject to public disclosure under the freedom of information law; and
- (2) Makes an appropriation from the tourism special fund of \$8,000,000 to the HTA to improve its operational and financial efficiency. The moneys are in addition to appropriations from the fund in the Supplemental Appropriations Act.

Testimony in support of this measure was received from Hawaii Tourism Authority. Testimony in opposition was received from the Attorney General (AG) and Office of Information Practices (OIP). Comments were received from the Department of Business, Economic Development, and Tourism supporting the disclosure of contracts provision; the AG opposed the authorization to hire attorneys provision; and OIP opposed the disclosure of contracts provision.

The authorization for the HTA to hire its own attorneys, rather than utilizing the AG, is the same provision that was vetoed by the Governor last year in S.B. No. 38, CD1. The Statement of Objections in Gov. Msg. 686 stated that the bill is unnecessary because the Attorney General is capable of providing the services needed by the HTA either through regular or special deputy attorneys general. Your Committees respectfully disagree with the Governor. This same matter came up in hearings last year on S.B. No. 38 wherein the AG gave similar testimony as in this measure. The AG gave the same assurances of adequate and timely representation. However, it

has come to the attention of the Chair of the Committee on Tourism that a certain contract of the HTA was in the process of negotiation last year when the HTA asked the AG on August 1, 2003, for outside counsel representation. The AG responded on December 2, 2003, which is a period of four months after the request. The AG, Mr. Mark Bennett, responded to your Committee's inquiry into this specific incident on February 18, 2004, by admitting that the length of time was abnormally long but he had no explanation for it without looking further into the matter.

The contracts of the HTA, particularly the large contracts with advertising vendors, are time sensitive. If negotiations stall because the HTA cannot be represented by an attorney to handle and advise on the negotiations, vendors are likely to decline to execute a contract with the HTA. The reason for time sensitivity in these contracts is that vendors need time to get a multitude of arrangements in place to execute the contract within the terms of the contract, such as renting office space and hiring employees in Hawaii. These complex contracts require sufficient lead time for the contractor to prepare.

The intent of your Committees is that the HTA hire its own attorneys only in specific instances where particular expertise in complex contract transactions (usually the large contracts) are negotiated. Representation by the AG on day-to-day matters of the HTA would continue, which is already the practice. However, the ability of the HTA to immediately contract directly with outside counsel would greatly expedite that process when that specialized legal expertise becomes necessary.

Thus, your Committees find that this measure is necessary. In addition, your Committees further find that the timely services provided by the AG with outside counsel are questionable in light of the Auditor's reports indicating a lack of adequate contract language, contract management, and "after the fact" contract execution.

Funding for outside attorneys is routinely budgeted by the HTA, so those funds will continue to come out of HTA funds rather than the general fund.

The appropriation contained in this measure, according to testimony of the HTA, is to reimburse the HTA due to a fiscal anomaly occurring when the HTA's budget required it to fund eighteen months of a Hawaii Visitors and Convention Bureau (HVCB) contract with only twelve months of funding. This arose because HTA's budget for fiscal year 1998-1999 did not include sufficient funds to pay for its contract with the HVCB for calendar year 1999. Thus, the HTA was required to use twelve months of funding from its budget to pay for eighteen months of marketing services. This required the HTA to utilize future budgets to make up for the funding shortfall, which in the 1998-1999 budget amounted to \$27 million. The \$8 million request under this measure is also included in the Administration's budget request.

Your Committees have amended this measure by deleting the provision relating to public records because this provision is contained in another measure moving through the Legislature this session, and by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Tourism and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2711, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2711, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 2 (Hogue, Slom). Excused, 2 (English, Kawamoto).

SCRep. 2442 (Joint/Majority) Tourism, Economic Development and Energy and Environment on S.B. No. 3116

The purpose of this measure is to regulate the discharge of sewage, graywater, or other wastewater and air emissions of commercial passenger cruise ships in the waters of the State.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Office of the Mayor -- County of Maui, Kauai Councilmember JoAnn Yukimura, and Sierra Club Hawaii Chapter. The NorthWest Cruiseship Association, Hawaii Audubon Society, Earthjustice, and Norwegian Cruise Lines submitted testimony in support of the intent of this measure. The Department of Health (Department) submitted testimony in opposition, and Life of the Land provided comments on this measure.

Your Committees find that the current Memorandum of Understanding between the State and the NorthWest CruiseShip Association does not adequately ensure the protection of our state waters. This measure provides statutory prohibitions and allows for civil and criminal penalties to ensure commercial passenger vessel owners and operators limit their discharges and emissions in an effort to protect ocean and air quality.

Additionally, this measure requires commercial passenger vessel owners and operators to monitor and maintain records and, upon request of the Department, provide reports to the Department detailing any discharges or emissions while in state waters.

Your Committees have amended this measure by:

- (1) Removing the prohibition on sewage discharges to address the Attorney General's concerns of compliance with the federal Clean Water Act;
- (2) Creating an incentive in the form of reduced environmental compliance fees for commercial passenger vessels that practice exemplary sewage discharge management in the waters of the State;
- (3) Allowing the State to enter into voluntary agreements, such as the Memorandum of Understanding, with any owners or operators of commercial passenger vessels beyond the standards and waters specified in this measure;

- (4) Lowering the criminal penalties to \$25,000 per day for a first conviction and \$50,000 per day for a violation committed after a first conviction, in conformance with penalties of other state jurisdictions; and
- (5) Providing that the Department may adjust the discharge and emission standards as necessary after review by the Department; and
- (6) Changing the effective date to promote continued discussion and development of this measure.

This is a work in progress. Your Committees are currently communicating with the cruiseship industry and working with the Environmental Protection Agency to clarify the Attorney General's concerns of federal preemption through the Clean Water Act. This measure may require further amendment pending the outcome of these communications.

As affirmed by the records of votes of the members of your Committees on Tourism, Economic Development, and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3116, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3116, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, 2 (Hemmings, Slom). Excused, 3 (Kanno, Sakamoto, Trimble).

SCRep. 2443 Commerce Consumer Protection and Housing on S.B. No. 2210

The purpose of this measure is to recodify the laws governing the condominium property regimes.

Testimony in support of the measure was received from the following: Real Estate Commission, Hawaii Association of Realtors, Mortgage Bankers Association of Hawaii, American Resort Development Association, Hawaii Council of Associations of Apartment Owners, Association of Apartment Owners of Royal Kahili, Armstrong Properties, Ltd., Neeley and Anderson LLP, Community Associations Institute, Armstrong Builders, Ltd., Hawaii Developer's Council, Association of Apartment Owners of Makani Kai Marina, Castle and Cooke Homes Hawaii, Inc., Association of Apartment Owners of Nuuanu Parkside, Association of Apartment Owners of Haleakala Gardens, Real Property and Financial Services Section of the Hawaii State Bar Association, Association of Apartment Owners of Makakilo Hale I, A & B Properties, Inc., Gentry Homes, Ltd., and several individuals. Numerous condominium owners testified in opposition to the measure. The Hawaii Inspection Group, Inc., Hawaii's Thousand Friends, and Hawaii Independent Condominium and Cooperative Owners presented comments on the measure.

Act 213, Session Laws of Hawaii 2000, directed the Real Estate Commission to "review Hawaii's condominium property regimes law, make findings and formulate recommendations for recodification of the law, and develop draft legislation consistent with its review and recommendations." This measure is a result of that mandate.

Among other things, this measure:

- (1) Updates, clarifies, organizes, and deregulates the condominium laws;
- (2) Simplifies the disclosure process for purchasers and developers;
- (3) Establishes additional disclosure requirements for condominiums projects built on agriculturally designated lands;
- (4) Clarifies the circumstances under which a condominium project's common elements may undergo a change in use;
- (5) Repeals the owner-occupant presale notice requirement;
- (6) Establishes new requirements relating to "aging-in-place" issues, including additional disclosures for projects containing assisted living facilities;
- (7) Clarifies the powers, duties, and limitations of condominium associations and boards;
- (8) Authorizes mail-in and Internet voting by directed proxy;
- (9) Authorizes condominium associations to require maintenance of high-risk components such as water heaters; and
- (10) Allows any affected party, and not just apartment owners or the condominium board, to request the mediation of a dispute.

Your Committee wishes to commend and acknowledge the efforts of all of the parties involved in the difficult and time-consuming task of reviewing the State's condominium laws and developing a comprehensive new system of laws. These parties include the Real Estate Commission, the staff of the Real Estate Branch of the Department of Commerce and Consumer Affairs, the Blue Ribbon Advisory Committee, and the numerous organizations and individuals who participated in the public hearings on this measure and who otherwise contributed to the process. All of their efforts have resulted in the development of a comprehensive set of laws that clarifies the rights of developers, lenders, owners, buyers, condominium boards, and condominium associations, and streamlines the regulatory process.

Your Committee finds that several condominium owners have expressed concerns about proposed law, including concerns that under the proposed measure:

- (1) Condominium boards by resolution, and without authorization from owners, may mete out unlimited fines for violations of the house rules and bylaws;
- (2) There is no provision prohibiting the assessment of charges against an owner for the provision of information or documents to which the owner is entitled to receive;
- (3) The fiduciary duty of board members to all owners has been eliminated;
- (4) The board's authority to fill membership vacancies only on an interim basis is not clarified;
- (5) The minimum number of directors that must sit on a board has been reduced; and
- (6) Proxies may no longer be submitted for quorum purposes only.

Your Committee acknowledges that this measure remains a work-in-progress and that continued discussion between the parties is necessary in order to address the above and other unresolved issues. Therefore, your Committee has inserted into the measure a delayed effective date, and encourages all stakeholders to continue their dialogue on issues of concern.

Additionally, your Committee has amended this measure by:

- (1) Deleting provisions relating to the development of an alternative dispute resolution since this issue is being addressed in another measure pending before the Legislature; and
- (2) Making numerous technical changes for purposes of formatting, clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2210, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2210, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2444 (Joint) Education, Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on S.B. No. 2478

The purpose of this measure is to authorize the Department of Education to assess and collect impact fees by intergovernmental agreement with a county, as fair share contributions of developers for the construction of state public school facilities.

Your Committees received testimony in support of the measure from the Department of Education, Land Use Research Foundation of Hawaii, and Hawaii Leeward Planning Conference. Your Committees received testimony in opposition from two Hawaii County Council Members. Your Committees received comments from the Honolulu Department of Planning and Permitting and Schuler Homes.

Your Committees find that impact fees provide a fair and balanced means for developers to offset some of the infrastructure costs that will be necessitated by major developments. A number of concerns were raised in the course of the hearing, which your Committees have integrated into the measure. Your Committees note that they are included in the spirit of responsiveness to the concerns raised and do not represent the result of sustained deliberation by your Committees.

Your Committees have amended the measure by allowing:

- (1) The county in which the fee is collected to retain the impact fee in their own account;
- (2) Counties to grant exemptions for impact fees for affordable housing development as appropriate;
- (3) Extension of the ten year time limit for the expenditure or encumbrance of impact fees transferred to the state educational facilities impact fee trust fund account, upon agreement with the developer.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2478, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2478, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs and Vice Chair on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 4 (Baker, Menor, Tsutsui, Hogue).

SCRep. 2445 Education on S.B. No. 2538

The purpose of this measure is to authorize the issuance of \$30,000,000 in special purpose revenue bonds to finance or refinance the construction or improvements to educational facilities at Iolani School.

Your Committee received testimony in support of the measure from Iolani School and Hawaii Association of Independent Schools. Your Committee received testimony in opposition to the measure from the Hawaii State Teachers Association.

Your Committee finds that the issuance of special purpose revenue bonds for this school serves a valuable public purpose by making much-needed educational facilities available to the students of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2538 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2446 Education on S.B. No. 2671

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Damien Memorial High School to finance or refinance the planning, acquisition, construction, or improvement of its educational facilities.

Your Committee received testimony in support of the measure from Damien Memorial High School and Hawaii Association of Independent Schools. Your Committee received testimony in opposition to the measure from the Hawaii State Teachers Association. Your Committee received comments regarding the measure from the Director of Finance.

Your Committee finds that the issuance of special purpose revenue bonds for this school serves a valuable public purpose by making much-needed educational facilities available to the students of Hawaii.

Your Committee has amended the measure by adding a new section enabling Damien Memorial High School to take advantages of economies of scale by consolidating small bond issues into a single large transaction.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2671, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2671, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2447 Education on S.B. No. 2793

The purpose of this measure is to authorize the issuance of general obligation bonds and to make an appropriation for the design, construction, and equipment of a permanent administration building for Hana Elementary Elementary and High School.

Your Committee finds that the school is in need of a new facility for its administrative functions.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2793 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2448 Education on S.B. No. 2805

The purpose of this measure is to allow home-schooled students to apply to participate in extracurricular and co-curricular activities.

Your Committee received testimony in support of the measure from the Department of Education (supports intent; concerned about costs and logistics of implementation) and the Senior Policy Advisor to the Governor. Your Committee received testimony in opposition to the measure from the Hawaii State Teachers Association and a student.

Your Committee finds the question as to whether home-schooled students should be allowed to participate in extracurricular and co-curricular activities is a valid one that deserves further attention. Although your Committee is passing the measure along to facilitate this discussion, your Committee further finds that some mechanism allowing for minimum academic qualifications as a prerequisite for participation in extracurricular and co-curricular activities is warranted, out of fairness to the expectations regular public school students must meet. What type of competency or performance standard this should be, however, should be the subject of further debate.

Your Committee made technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2805, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2449 Education on S.B. No. 2790

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Haleakala Waldorf School to finance or refinance the planning, acquisition, construction, or improvement of its educational facilities.

Your Committee received testimony in support of the measure from Haleakala Waldorf School and Hawaii Association of Independent Schools. Your Committee received testimony in opposition to the measure from the Hawaii State Teachers Association. Your Committee received comments regarding the measure from the Director of Finance.

Your Committee finds that the issuance of special purpose revenue bonds for this school serves a valuable public purpose by making much-needed educational facilities available to the students of Hawaii.

Your Committee has amended the measure by:

- (1) Adding a new section enabling Haleakala Waldorf School to take advantages of economies of scale by consolidating small bond issues into a single large transaction; and
- (2) Eliminating references to early childhood education and care facility and care facility as this measure seeks authorization for bond issuance under Part VIII, Chapter 39A, Hawaii Revised Statutes, which does not cover such facilities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2790, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2790, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2450 Education on S.B. No. 2791

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Montessori School of Maui to finance or refinance the planning, acquisition, construction or improvement of its educational facilities.

Your Committee received testimony in support of the measure from Montessori School of Maui and Hawaii Association of Independent Schools. Your Committee received testimony in opposition to the measure from the Hawaii State Teachers Association. Your Committee received comments regarding the measure from the Director of Finance.

Your Committee finds that the issuance of special purpose revenue bonds for this school serves a valuable public purpose by making much-needed educational facilities available to the students of Hawaii.

Your Committee has amended the measure by:

- (1) Adding a new section enabling Montessori School of Maui to take advantages of economies of scale by consolidating small bond issues into a single large transaction; and
- (2) Eliminating references to early childhood education and care facility and care facility as this measure seeks authorization for bond issuance under Part VIII, Chapter 39A, Hawaii Revised Statutes, which does not cover such facilities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2791, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2791, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2451 Education on S.B. No. 3011

The purpose of this measure is to exempt certified retired teachers from any prerequisite coursework that the Department of Education may require of other substitute teachers.

Your Committee received testimony in support of the measure from the Hawaii State Teachers Association – Retired, the principals of Niu Valley Middle School and Lanakila School, a teacher, a retired teacher, and an individual. Your Committee received testimony in opposition to the measure from the Department of Education and Laborers' International Union of North America Local 368, AFL-CIO.

Your Committee finds that retired teachers bring a wealth of professional experience back to the classroom when they serve as substitute teachers, which makes them far more likely to be an effective substitute teacher than someone without such experience. This type of service should be encouraged, especially in light of the teacher shortage. This need for personnel, however, must be balanced with consistent, system-wide standards for teacher quality. As qualified as retired teachers may be, they may also not have been exposed to innovations in instructional methods and dramatic shifts of educational paradigms that occurred after they retired. A proper balance must be struck.

Your Committee has amended the measure by exempting licensed or certified retired teachers from any prerequisite coursework that the department may require of other substitute teachers for ten years, instead of a permanent exemption.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3011, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3011, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2452 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.B. No. 3012

The purpose of this measure is to require the Auditor to conduct an annual assessment of the educational accountability system.

Your Committees heard testimony in support of the measure from the Hawaii State Teachers Association. Your Committees heard testimony in opposition to the measure from the Department of Education.

Your Committees find that an annual assessment of the educational accountability system will assist the Department of Education in responding to questions about the processes it uses to maintain accountability of its expenditures and performance. It will also help stakeholders ascertain the extent to which the reform model of accountability is working as a means of improving the public educational system. Such monitoring may also provide future legislatures with a ready pool of data from which it can make future amendments to the accountability provisions in the Hawaii Revised Statutes, should they be needed.

Your Committees have amended this measure to make the Hawaii Educational Policy Center responsible for the annual assessment, rather than the Auditor.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3012, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3012, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Baker, Menor, Tsutsui, Whalen).

SCRep. 2453 Education on S.B. No. 3013

The purpose of this measure is to specify elements required of the University of Hawaii Foundation's annual report to the Legislature.

Your Committee received testimony in support of the measure from the Auditor. Your Committee received testimony in opposition to the measure from the University of Hawaii and University of Hawaii Foundation Board of Trustees.

Your Committee finds that this measure will be an important tool in ensuring public accountability for how funds are spent out of the Tuition and Fees Special fund.

Your Committee has amended the measure by deleting the provision allowing a private donor to prevent disclosure of their name or personal information, upon written request to the Auditor.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3013, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2454 Education on S.B. No. 3086

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Island Pacific Academy for the planning and construction of its educational facilities.

Your Committee received testimony in support of the measure from Island Pacific Academy and Hawaii Association of Independent Schools. Your Committee received testimony in opposition to the measure from the Hawaii State Teachers Association.

Your Committee finds that the issuance of special purpose revenue bonds for this school serves a valuable public purpose by making much-needed educational facilities available to the students of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3086 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2455 Education on S.B. No. 3112

The purpose of this measure is to:

- (1) Allow the Department of Education to hire professionals as exceptional teachers;
- (2) Authorize alternative routes to licensing based on performance-based standards and experience; and
- (3) Establish a tax credit for businesses whose employees are hired by the Department of Education as exceptional hires in an amount of two per cent of their employee's annual salary.

Your Committee received testimony in support of the measure from the Department of Education. Your Committee received testimony in opposition to the measure from the Hawaii Teacher Standards Board and Department of Taxation.

Your Committee finds that having high standards that help generate quality teachers is one of the most crucial aspects in promoting the academic achievement of students. However, in light of the teacher shortage, the Department of Education must occasionally fill positions on an emergency or exceptional basis as a stop-gap measure.

Your Committee has amended the measure by:

- (1) Adding a requirement that any individual hired on an exceptional basis must complete a Department of Education-approved training program;
- (2) Correcting a statutory cross-reference; and
- (3) Deleting the provision allowing for a tax credit.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3112, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2456 (Joint) Education and Judiciary and Hawaiian Affairs on S.B. No. 3148

The purpose of this measure is to establish a noncontiguous host culture charter school district under the Board of Education to be monitored by a host culture district council as a 5-year pilot demonstration project.

Your Committees received testimony in support of the measure from the Hawaii Charter Schools Network and Hawaii State Teachers Association. Your Committees received testimony in opposition to the measure from the Hawaii Government Employees Association.

Your Committees find that a noncontiguous host culture charter school district could be an important means of propagating the values of the host culture, improving student achievement among the host culture students, and further enhancing the autonomy of charter schools in a manner that also enables them to facilitate sharing of administrative and other costs and resources. However, it would be unfair to enable host culture charter schools to form an entity recognized as a local education agency by the federal government without offering a similar opportunity to the other charter schools.

Your Committees further find that there remain some significant legal and organizational questions regarding the establishment of such districts as local education agencies that remain unresolved to the satisfaction of the Committees. For instance, it is unclear how the recognition of a district as a local education agency will affect the legal status and access to funding of the remaining charter schools which are unable or unwilling to join such a district. Until such concerns are addressed conclusively, your Committees are hesitant to prescriptively require the establishment of such noncontiguous districts for host culture and any other charter school. The option to do so may provide valuable administrative and fiscal advantages to charter schools, however, and should be kept open.

Your Committees have amended the measure by:

- (1) Eliminating a substantial portion of the purpose section that dealt with background issues;
- (2) Eliminating subsections that duplicate existing law;

- (3) Deleting a provision giving host culture focused schools the first option to occupy or liquidate any government-seized real estate property;
- (4) Deleting a provision giving host culture focused charter schools the first option to occupy "underutilized" county facilities for educational purposes;
- (5) Adding a section enabling other, non-host culture-oriented charter schools the opportunity to form an entity recognized as a local education agency by the federal government;
- (6) Simplifying the accountability provisions;
- (7) Replacing the prescriptive requirement to establish such noncontiguous districts with an optional authorization to establish them; and
- (8) Making the effective date defective to ensure that the concerns mentioned above can be addressed in greater depth in conference committee.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3148, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3148, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (English, Menor, Tsutsui).

SCRep. 2457 Education on S.B. No. 3231

The purpose of this measure is to allow stipends for tutors, volunteers, and others who help schools before, during, and after school hours.

Your Committee received testimony in opposition to the measure from the Department of Education and Director of Finance.

Your Committee finds that there is a need to provide stipends for tutors, volunteers, and other who help schools before, during, and after school hours, and your Committee believes that this measure addresses that need.

Your Committee has amended the measure by:

- (1) Removing the master corp program;
- (2) Clarifying that public schools may pay stipends for tutors, volunteers, and other who help schools before, during, and after school hours, provided that such stipends shall not be considered income for the purposes of the state income tax and that these individuals shall not be considered employees of the State of Hawaii;
- (3) Removing the requirement for establishing procedures to match skill, interests, and geographic locations of volunteers with the priority needs of the Department of Education; and
- (4) Removing the appropriation for the master corps in the Department of Education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3231, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2458 (Joint) Health and Human Services on S.B. No. 2147

The purpose of this measure is to establish nutrition standards for food and beverages sold to students in public and private schools.

This measure also establishes a school nutrition advisory council.

Testimony in support of this measure was received from the American Academy of Pediatrics, Castle Medical Center, Hawaii Medical Service Association, Hawaii State Teachers Association, Hawaii Association of Independent Schools (HAIS), and three individuals. Testimony in opposition was received from the Department of Education (DOE), National Soft Drink Association, and Hawaii Food Industry Association. Comments were received from the Coca-Cola Bottling Company of Hawaii and the Pepsi Bottling Group.

Your Committees find that childhood obesity is increasing at an alarming rate; doubling in children and tripling in teens over the last two decades. This puts children at increased risk for heart disease, high blood pressure, stroke, cancer, and diabetes, resulting in

increased medical expenses in the future. Your Committees further find that a contributing factor to this obesity epidemic is low-nutrition foods and beverages that are sold in the vending machines at Hawaii's schools.

Your Committees also find that attempts to improve nutrition at schools alone are not the answer. Increased required physical activity in school programs is also part of the solution. Your Committees respectfully request the Committee on Education to consider other measures that would accomplish this goal.

Your Committees have amended this measure by:

- (1) Deleting the inclusion of private, independent schools from this measure;
- (2) Removing all references to sale of food;
- (3) Adding high schools; and
- (4) Making technical, nonsubstantive amendments.

Your Committees note that deleting private, independent schools from this measure was at the request of HAIS. Despite concerns of members of your Committees for the health and well-being of all students in public and private schools, the measure was amended to be respectful of the HAIS' request to continue being independent of DOE's oversight.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2147, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2147, S.D. 1, and be referred to the Committee on Education.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Kokubun).

SCRep. 2459 (Joint/Majority) Health and Human Services on S.B. No. 2455

The purpose of this measure is to provide a tax credit to resident taxpayers for long-term care insurance premiums.

This measure also prohibits a medical expense deduction if the long-term care tax credit is claimed.

Testimony in support of this measure was received from The Chamber of Commerce of Hawaii, Healthcare Association of Hawaii, Hawaii Long Term Care Association, The American Council of Life Insurers, and Association of Insurance and Financial Advisors. Testimony in opposition was received from the Department of Taxation. Comments were received from the Executive Office of Aging.

Your Committees find that the growing need for long-term care in Hawaii will assume epidemic proportions if nothing is done to mitigate it. Costs associated with long-term care are significant, and people are living longer due to implementation of forward thinking public health and environmental protection policies, a better educated populace, and medical advances. Your Committees further find that most people are not prepared to pay for long-term care expenses from their personal assets. This measure provides an incentive to encourage Hawaii citizens to plan and prepare for their future long-term care by purchasing long-term care insurance, especially at a younger age when premiums are more affordable.

Your Committees have amended this measure by:

- (1) Specifying that the tax credit applies to taxpayers with an adjusted gross income of \$60,000 per couple filing a joint return and \$36,000 for individuals;
- (2) Reducing the tax credit amount to \$1,000;
- (3) Repealing the measure after five years; and
- (4) Requiring the Department of Taxation to provide an annual report to the Legislature.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2455, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2455, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Trimble). Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2460 Health on S.B. No. 2465

The purpose of this measure is to appropriate funds for the Hana Community Health Center (HCHC).

Testimony in support of this measure was received from six members of the Maui County Council, Hana Community Health Center, Aloha Care, Hawaii Primary Care Association, five teachers and staff from Hana School, and four individuals. The Department of Health supports the intent of this measure.

Your Committee finds that the Hana Community Health Center is the only licensed medical facility in rural East Maui, providing a broad range of health services, 24-hours a day to the 500,000 residents and tourists. Hana has also been designated by the federal government as a medically underserved population, a primary care health professional shortage area, a dental health professional shortage area, and a mental health professional shortage area. Additionally, HCHC is providing school-based behavioral health and other health services for Department of Education-identified students. HCHC has been able to fill this void for services in Hana through a federal grant that is expiring. These services must be continued.

Your Committee further finds that the Hana Community Center, in spite of recent funding reductions by fifty per cent by the State, has demonstrated an ability to generate funds from a variety of other sources. However, State support is always needed to fund core medical services in this isolated, rural community.

Your Committee has amended this measure by:

- (1) Providing an unspecified amount for operational expenses;
- (2) Providing \$500,000 as a grant-in-aid for the nutrition center; and
- (3) Appropriating \$500,000 from the Department of Education's current budget for mental/behavioral health services at Hana High and Elementary Schools.

Your Committee requests that your Committee on Ways and Means allow a proviso for \$500,000 from the Department of Education's Felix consent decree funding to HCHC for the purpose of serving thirty-five Felix consent decree students.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2465, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2461 (Joint/Majority) Health and Human Services on S.B. No. 2573

The purpose of this measure is to establish a caregiver tax credit to a provider of long-term care to an eligible care recipient.

Testimony in support of this measure was received from an individual. Testimony in opposition was received from the Department of Taxation. Comments were received from the Executive Office on Aging.

Your Committees find that families providing long-term care for their loved ones within their homes, instead of placing their loved ones in costly institutional care, takes an emotional as well as a financial toll on the caregivers. Incentives need to be provided for these caregivers to be able to continue providing long-term care for their loved ones.

Your Committees have amended this measure by:

- (1) Decreasing the tax credit to \$500;
- (2) Establishing that to claim this tax credit, eligible caregivers cannot derive income from the provision of these services to anyone;
- (3) Requiring that the caregiver provide the long-term care without compensation;
- (4) Imposing criminal penalties on individuals providing fraudulent tax status; and
- (5) Repealing the measure after five years.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2573, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2573, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Trimble). Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2462 (Joint) Health and Human Services on S.B. No. 2591

The purpose of this measure is to require the Department of Health (DOH) to provide certain family and caregiver support services to persons aged sixty and older and their families and caregivers.

Testimony in support of this measure was received from the International Longshoremen's and Warehousemen's Union, Policy Advisory Board for Elderly Affairs, Kokua Council, and a private individual. Testimony in opposition was received from the Executive Office on Aging.

Your Committees find that the percentage of the population aged 65 and over is expected to rise from thirteen per cent to eighteen per cent by the year 2020. As this population ages, more and more residents will need the care and help of others to sustain themselves. Your Committees further find that informal family care provides about eighty per cent of caregiving, but caregivers often face enormous challenges and risks to their own personal health and happiness.

Your Committees have amended this measure by:

- (1) Adding a purpose section;
- (2) Incorporating technical amendments offered by the Executive Office of Aging that include not allowing community-based homes operating as fee for service businesses from redeeming services under this measure; and
- (3) Making technical, non-substantive amendments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2591, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2591, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2463 Health on S.B. No. 2948

The purpose of this measure is to establish the Public Health Nursing Services Program and set forth the roles and functions of the program in the delivery of direct clinical nursing services.

Testimony in support of this measure was submitted by the Department of Health, Hawaii Government Employees Association, American Academy of Pediatrics-Hawaii chapter, Parents and Children Together, Hawaii Early Intervention Coordinating Council, one nurse, and six individuals.

Your Committee finds that public health nurses deliver an array of health services including the prevention of communicable diseases such as tuberculosis, immediate response to and mobilization of resources during epidemics and catastrophic disasters, health services in public schools, and care coordination services to the most vulnerable populations. Your Committee further finds that public health nurses provide an invaluable service and deserve to be statutorily established.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2948, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2464 Health on S.B. No. 3085

The purpose of this measure is to establish an advisory committee to advise the Board of Nursing on issues relating to the formulary.

Testimony in support of this measure was received from Hawaii Nurses Association, Hawaii Government Employees Association, Koolauloa Health Center, Waikiki Health Center, Advanced Practice Registered Nurses Council of Hawaii Nurses Association, Hawaii Chapter of Pediatric Nurse Practitioners/Nurses, and seven nurses. Testimony in opposition was received from the Board of Medical Examiners, the Board of Nursing, and the Hawaii Medical Association.

Your Committee finds that advanced practice registered nurses (APRNs) practice in collaboration with medical doctors and make independent practice decisions as well as prescribe medication as appropriate to the patients' conditions. APRNs currently operate under an unnecessarily restrictive arbitrary formulary governed by the Board of Medical Examiners. Your Committee further finds that the establishment of an advisory committee under the Board of Nursing would be more supportive and allow APRNs to function to their maximum capabilities.

Your Committee has amended this measure by:

- (1) Requiring the Department of Commerce and Consumer Affairs to establish the joint formulary advisory committee;
- (2) Amending Act 192, Session Laws of Hawaii 2002, as amended by Act 3, section 27, Session Laws of Hawaii 2003, relating to nurses;
- (3) Requiring one of three advanced practice nurses on the joint formulary advisory committee to be from a school of nursing with an APRN program;

- (4) Requiring one of three licenses physicians on the joint formulary advisory committee to be from the John A. Burns school of medicine and appointed by the dean of the school of medicine; and
- (5) Requiring the joint formulary advisory committee to submit a report to the Legislature.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3085, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3085, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2465 Health on S.B. No. 3114

The purpose of this measure is to require the Department of Health (DOH) to submit an annual report to the Legislature on initiatives and improvements at Kalaupapa Settlement and to separately track patient and non-patient costs.

Testimony in support of this measure was submitted by the DOH, the Office of Hawaiian Affairs, and the Office of the Auditor.

Your Committee finds that patients with Hansen's disease were once forced into exile at Kalaupapa Settlement on the island of Molokai. Your Committee further finds that the State recognizes the injustice suffered by these individuals and has committed resources to allow these Hansen's disease patients to live out their lives in the Kalaupapa Settlement as long as they desire. Due to concerns that excessive or inappropriate expenditures were being made, the Legislature, in 2003, requested the Auditor to conduct an audit of the operations and expenditures of the Kalaupapa Settlement, pursuant to H.C.R. No. 165. Your Committee determines that, based upon the Auditor's findings, which revealed multiple areas of concern, actions must be taken to improve the quality of life of the remaining patients at Kalaupapa Settlement.

Accordingly, your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3114, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2466 Health on S.B. No. 3135

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist St. Francis Healthcare System of Hawaii and its affiliates in financing equipment purchases and the construction and improvement of health care facilities.

Testimony in support of the measure was submitted by the St. Francis Healthcare System of Hawaii.

Your Committee finds that the activities and facilities of St. Francis Healthcare System of Hawaii provide invaluable health care services to the general public. Your Committee places a high priority on ensuring the public welfare by supporting nonprofit health care facilities like the St. Francis Healthcare System of Hawaii.

Your Committee amended this measure by extending by one year the duration of the authorization and lapsing date.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3135, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3135, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

SCRep. 2467 (Joint) Economic Development and Science, Arts, and Technology on S.B. No. 2269

The purpose of this measure is to remove provisions that restrict telecommunications from being designated a qualified business for enterprise zone purposes.

The Sandwich Isles Communications, Inc. and Verizon Hawaii testified in support of the measure. The Department of Business, Economic Development, and Tourism and the Department of Taxation offered comments on the measure.

Your Committees find that this measure will enable telecommunication service providers to offer reliable and affordable telephone and broadband services to under served communities located within enterprise zones, such as for Native Hawaiian homesteaders.

Your Committees have amended the measure to permit telecommunication service providers to be designated as a "qualified business" for enterprise zone purposes, provided that the telecommunication service providers are not only engaged in

telecommunication related business within an enterprise zone, but also deliver the majority of telecommunication related services in that same enterprise zone or in another enterprise zone.

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2269, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2269, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (English, Kanno, Kawamoto, Trimble).

SCRep. 2468 (Joint) Economic Development and Water, Land, and Agriculture on S.B. No. 2332

The purpose of this measure is to establish the state park imua special fund, with a community matching fund component, in order to provide financial assistance to communities involved in the repair and maintenance of state parks.

Testimony in support of the measure was received from the County of Kauai. Testimony in opposition to the measure was received from the Department of Land and Natural Resources. Offering comments on the measure was the State Procurement Office.

Your Committees find that this measure recognizes the importance of applying the innovative “3R’s” approach, developed to tackle the backlog of school repair and maintenance projects, to much-needed park beautification and maintenance projects in the state parks system. To support and encourage future community-based park restoration initiatives, it is essential that the State make available adequate funding, in the form of a matching fund program. This matching fund program will ensure that these initiatives are carried out in an efficient and cost-effective manner.

Your Committees acknowledge the concern raised that this may touch on efforts already underway in state parks, but believe that stronger private-public partnerships like those used for public school repairs will only benefit the state park system and its users.

Your Committees have amended the measure by changing the effective date to make the bill defective in order to promote continuing discussion and by making technical, nonsubstantive changes.

As affirmed by the records of votes of the members of your Committees on Economic Development and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2332, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2332, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 1 (Kanno).

SCRep. 2469 Economic Development on S.B. No. 2560

The purpose of this measure is to create a right of publicity law to allow recording artists, television personalities, and other media celebrities to control the use of their identity for commercial purposes during their life and after their death.

Testimony in support of the measure was received from one individual. Testimony in opposition to the measure was offered by the Motion Picture Association of America. The Department of Business, Economic Development, and Tourism offered comments on the measure.

Your Committee finds that the right of publicity is the right of every person to control the commercial use of his or her identity. This measure creates a clear statutory cause of action for infringement of the right of publicity as well as expressly recognizes a post mortem right of publicity. This measure will be beneficial for Hawaii artists and continue to make Hawaii a desirable place for artists, actors, and performers to live and do business. Your Committee understands that while there were concerns raised about some of the provisions in this measure, the parties have indicated they will be considering possible changes in language.

Your Committee has amended this measure by changing the effective date to July 1, 2020 to make the bill defective in order to promote continuing discussion and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2560, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2560, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kanno).

SCRep. 2470 (Joint) Economic Development and Commerce Consumer Protection and Housing on S.B. No. 2606

The purpose of this measure is to amend the brewpub licensing law to authorize brewpubs to sell beer for consumption off premises.

Testimony in support of the measure was received by the Aloha Brewers Guild, Kona Brewing Company, the Oregon Brewers Guild, and fifteen individuals. Two individuals offered comments on the measure.

Your Committees find that this measure is designed to allow local brewpubs to sell their products in sealed glass containers directly to consumers, wholesalers, retailers, and a variety of establishments that serve beer. This measure would allow smaller, locally owned brewpubs to tap into a larger market that has long been dominated by large national breweries. This measure provides increased employment opportunities in the local brewing industry as well as increases revenues generated within the State.

Your Committees have amended this measure by requiring that any beer sold off premises by brewpubs must be sold in sealed glass containers. Further, only brewpubs that manufacture their product in Hawaii are allowed to sell their products off premises. These two amendments will ensure that brewpubs fall under section 342G, the deposit beverage container program, and that the sales of these products will benefit only locally owned brewpubs.

As affirmed by the records of votes of the members of your Committees on Economic Development and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2606, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2606, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 6 (Aduja, Espero, Kanno, Sakamoto, Trimble, Whalen).

SCRep. 2471 (Joint) Economic Development and Commerce Consumer Protection and Housing on S.B. No. 2687

The purpose of this measure is to provide small businesses with greater rights under the Hawaii Public Procurement Code.

This measure:

- (1) Prohibits requiring small businesses to disclose financial data for purpose of obtaining a government contract;
- (2) Requires the government to award at least fifty per cent of total contracts to small businesses;
- (3) Allows small businesses to request a contested case hearing on an adverse action of an agency, such as a denial or refusal to issue a license or permit;
- (4) Requires an agency to timely notify a small business of the disposition of an application;
- (5) Requires automatic renewal of a license, permit, or certification at the time of expiration, unless denied for good cause;
- (6) Defines "business advocate" for purposes of the Small Business Regulatory Flexibility Act; and
- (7) Requires liability insurers to provide coverage to any small business upon request and prohibits the cancellation or refusal to renew based on the sole ground of too small a premium.

Testimony in support of the measure was received from the National Federation of Independent Business-Hawaii, the Hawaii Business League, and Hawaii Reserves Inc. Testimony in opposition to the measure was received from the Hawaii County Planning Department. Offering comments on the measure were the Department of Accounting and General Services, the Department of Business, Economic Development, and Tourism, the Department of Commerce and Consumer Affairs, and the State Procurement Office.

The issue of small business development in Hawaii is of the utmost concern to your Committees. Your Committees find that small businesses make up over ninety-five per cent of all businesses in Hawaii and employ almost sixty per cent of the State's working population. Yet, most business surveys are unflattering to Hawaii. A frequent criticism is that Hawaii is inhospitable to small business. This measure is an attempt to ameliorate those concerns by improving the small business climate.

Your Committees find that this measure represents an important first step in protecting and addressing the concerns of Hawaii's small businesses. Small businesses employ the majority of Hawaii's people, generate a significant amount of revenue in the State, and are an important catalyst for economic growth in the State.

Your Committees have amended this measure by changing the effective date to July 1, 2020 to make the bill defective in order to promote continuing discussion. Your Committees recognize the tireless efforts of the small business community, in particular the Small Business Regulatory Review Board, in bringing these concerns to the attention of the Legislature. Your Committees understand that a number of concerns remain-including how to define small businesses and the issue of automatic approvals, among others-and urge the parties to continue working on resolving this and other remaining issues in this important measure.

As affirmed by the records of votes of the members of your Committees on Economic Development and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2687, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2687, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 6 (Aduja, Espero, Kanno, Sakamoto, Trimble, Whalen).

SCRep. 2472 (Joint) Economic Development and Science, Arts, and Technology on S.B. No. 3165

The purpose of this measure is to appropriate funds for further study regarding the feasibility of a Kalaeloa Technical Park project by the Hawaii community development authority.

The University of Hawaii testified in support of this measure. The Hawaii Community Development Authority offered comments on the measure.

Your Committees find that the Hawaii Community Development Authority is eligible for a significant amount of grant money from the United States Department of Commerce, Economic Development Administration to research and produce an economic master plan for Kalaeloa. The availability of this grant money is contingent upon the State providing a certain portion of matching funds. This grant represents an unparalleled opportunity for the State to create a comprehensive development plan for Kalaeloa that not only ensures that any development of Kalaeloa is well-planned, but also maximizes the economic potential of Kalaeloa.

Your Committees have amended this measure to expand the purpose from a feasibility study of a technological park at Kalaeloa to an economic master plan for Kalaeloa, and by increasing the appropriation from \$100,000 to \$250,000 in order to provide a greater portion of the one-for-one local match required by the Economic Development Administration for the \$450,000 grant.

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3165, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3165, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (English, Kanno, Trimble).

SCRep. 2473 (Joint) Energy and Environment and Water, Land, and Agriculture on S.B. No. 2247

The purpose of this measure is to appropriate funds to fight specific types of invasive species.

Testimony in support of the measure was submitted by the Board of Agriculture, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, Sierra Club, Hawaii Farm Bureau Federation, and two individuals. The Board of Land and Natural Resources submitted testimony in opposition and the Nature Conservancy submitted comments.

Your Committees find that invasive species are a major problem for Hawaii's environment and economy. Specifically, fireweed, the coqui frog, fire ant and the nettle caterpillar are causing devastating impacts on our ecosystem. For example, the County of Hawaii estimates that half a million dollars will be needed annually to control the coqui frog. Programs need to be developed so that eradication efforts can be undertaken on a timely basis at the time of discovery.

Moreover, your Committees have identified the myrica faya tree as an invasive species in need of funding to control its growth. Therefore, your Committees have amended this measure to include the myrica faya tree in the appropriation section. To facilitate further discussion on the measure, the appropriation amount has been blanked out.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2247, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2247, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 2474 Energy and Environment on S.B. No. 2263

The purpose of this measure is to require all state and county agencies applying pesticides to public places to post public notice at least 48 hours prior to, and after, application of pesticide.

Testimony in support of the measure was submitted by the Sierra Club, Hawaii Chapter and six concerned individuals. Testimony in opposition to the measure was submitted by the Department of Agriculture, Hawaii Pest Control Association, and Hawaiian Alliance for Responsible Technology and Science. The Department of Health and Department of Land and Natural Resources submitted comments on the measure.

Your Committee finds that the application of pesticides in public areas poses a significant danger to the public and requires the posting of appropriate warnings. Your Committee, however, noted the concerns of the Departments of Agriculture, Health, and Land and Natural Resources regarding the impracticality of posting notices under circumstances where access to the areas being treated is difficult or remote and unlikely to affect public health and safety, and of the counter-productive effect of including too much information in notices.

Accordingly, your Committee amended the measure by making the posting requirement subject to circumstances where posting of warning signs would be feasible and practical and by deleting the requirement that all information relating to the pesticide be included in the notice.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2263, as amended herein, and recommends that it pass Second

Reading in the form attached hereto as S.B. No. 2263, S.D. 1, and be referred to the Committee on Transportation, Military Affairs, and Government Operations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kanno).

SCRep. 2475 (Joint/Majority) Energy and Environment and Economic Development on S.B. No. 2564

The purpose of this measure is to provide an income tax “check-off” to fund environmental educational programs conducted by non-profit organizations on state park lands.

Castle and Cooke of Hawaii, the Hawaii Audubon Society, the Hawaii Nature Center, and eight individuals testified in support of the measure. The Department of Taxation testified in opposition to the measure because of its concerns over tax form changes. The Department of Land and Natural Resources and the Tax Foundation of Hawaii offered comments on the measure.

Your Committees find that this measure represents an innovative approach in funding much-needed environmental education programs in Hawaii at a time when resources are limited, even for high priority state parks maintenance projects. Providing field-based environmental educational programs will instill both an appreciation as well as a sense of duty in Hawaii’s young people in protecting Hawaii’s precious natural resources. Further, as indicated by the Department of Taxation in their written testimony, various income tax “check-offs” are already provided for on the state income tax form, which means that the proposed “check off” feature is neither unique nor a hardship to provide. The Department of Taxation estimates that this income tax refund “check off” option could generate revenue in the amount of \$120,000 to fund numerous environmental educational programs.

Your Committees have amended this measure by requiring that non-profit organizations offer these environmental educational programs in at least one state park facility in order to be eligible for funding generated from this income tax refund “check-off” proposal.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2564, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2564, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, 2 (Hemmings, Trimble). Excused, 1 (Kanno).

SCRep. 2476 (Joint) Energy and Environment and Water, Land, and Agriculture on S.B. No. 3153

The purpose of this measure is to make a matching appropriation for a pilot project on bioremediation research by Maui Ag Partners.

The appropriation specifies that the research is to be coordinated by the Pacific Cooperative Studies Unit of the College of Natural Sciences at the University of Hawaii.

Testimony in support of this measure was received from the Hawaii Water Environment Association and an individual.

Your Committees find that Maui Land and Pineapple, in conjunction with Maui Community College and Earth University of Costa Rica, are in the initial stages of creating an educational and agricultural-entrepreneur training program, called Maui Ag Partners. This pilot program will focus on determining the best management practices for bioremediation of contaminated soil on former pineapple lands in West Maui. This project complements the bioremediation work of the Pacific Cooperative Studies Unit of the College of Natural Sciences at the University of Hawaii. A joint effort can leverage additional non-state funds and resources to support sustainable agriculture through rehabilitation of pesticide-laden soils.

Your Committees have amended this measure to add the College of Tropical Agriculture and Human Resources of the University of Hawaii to the Cooperative Studies Unit.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3153, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3153, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 2477 Energy and Environment on S.B. No. 3164

The purpose of this measure is to mandate the use of at least 60% post-consumer content paper that is processed chlorine-free by all state departments and agencies.

Your Committee received testimony in support of the measure from the Department of Health and the State Procurement Office.

Your Committee finds that these revisions would bring state requirements in line with the recommended guidelines established by the Federal Network for Sustainability (FNS). Those guidelines are currently being implemented and applied by numerous federal agencies that are participating members of the FNS, including the United States (U.S.) Air Force, U.S. Army, U.S. Army Corps of Engineers, U.S. Navy, U.S. Department of Energy, U.S. Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, National Park Service, and U.S. Postal Service.

Your Committee has amended the measure by deleting the provision which would have made section 103D-1005, Hawaii Revised Statutes, applicable to the entire chapter.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3164, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kanno).

SCRep. 2478 (Majority) Energy and Environment on S.B. No. 3207

The purpose of this measure is to expand the definition of “investment” under the ethanol investment tax credit statute to include certain enumerated costs.

Testimony in support of the measure was submitted by Clean Fuels Hawaii and Maui Ethanol LLC. Testimony in opposition to the measure was submitted by Tesoro Hawaii Corporation. The Department of Taxation, Tax Foundation of Hawaii, and Worldwide Energy Group submitted comments on the measure.

Your Committee appreciates the rationale for using the uniform capitalization rules of Section 263A of the Internal Revenue Code to define “investment” for ethanol investment tax credit purposes. Use of established terms and criteria, supported by extensive interpretive case law, provide uniformity in the application of statutes.

Your Committee has amended this measure by deleting its contents and inserting language that was drafted with the collaborative effort of the Department of Taxation and other stakeholders, that:

- (1) Changes the ethanol investment tax credit to the ethanol facility tax credit (EFTC);
- (2) Substitutes “taxpayer” for “owner”;
- (3) Specifies that the credit shall be equal to thirty per cent of the investment if the nameplate capacity of the facility is between 500,000 and 15,000,000 gallons;
- (4) Bars other tax credits if the EFTC is claimed;
- (5) Limits the EFTC to the amount invested in a qualified ethanol production facility;
- (6) Specifies that the EFTC can be claimed only in years that the qualified ethanol production facility is operating at 75% of nameplate capacity or more, and the facility is in production on or before January 1, 2012;
- (7) Clarifies the definitions of “credit period,” “nameplate capacity,” and “qualifying ethanol production”;
- (8) Clarifies the definition of “investment” by using the uniform capitalization rules of Section 263A of the Internal Revenue Code and specifying exceptions;
- (9) Repeals the definition of “maximum annual credit allowable”;
- (10) Requires the Department of Business, Economic Development, and Tourism to maintain records, administer, and certify claims for the credit;
- (11) Places an annual cap of \$12,000,000 on the total aggregate amount allowed;
- (12) Requires that information relating to a qualified ethanol production facility’s ethanol production be made available to the public;
- (13) Sets forth the manner in which partnerships, S corporations, estates, and trusts may claim the credit;
- (14) Provides the Director of Taxation with independent audit and certification authority; and
- (15) Makes numerous conforming changes to the ethanol investment tax credit statute.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3207, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3207, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Hemmings). Excused, 1 (Kanno).

SCRep. 2479 (Joint) Labor and Education on S.B. No. 214

The purpose of this measure is to require the Office of Continuing Education at Leeward Community College (LCC) to establish pilot programs in Waipahu and Kalihi for the provision of services to the immigrants from the Freely Associated States—the Republic of the Marshall Islands, the Republic of Palau, and the Federated States of Micronesia, to assist them in being assimilated, educated, trained, and prepared for gainful employment.

This measure also appropriates money from the funds received by the State from the federal government pursuant to the Compact of Free Association Amendments Act of 2003, P.L. 108-188, 11 Stat. 2027.

Testimony in support of this measure was submitted by the University of Hawaii, Communities in Schools-Hawaii Project of the Y.M.C.A., Catholic Charities Hawaii Community and Immigrant Services, and the Volunteer Resource Center of Hawaii.

Your Committees find that a great influx of Micronesian, Marshallese, and Palauan immigrants has occurred over the past few years; however, the community has been unable to provide adequate services to these immigrants in order to assist them in assimilating and becoming gainfully employed members of the community. Your Committees further find that the problem extends from the very young, who are lacking proper educational and language services, to adults, who are ill-equipped to obtain employment due to a lack of language skills, education, and training.

Your Committees determine that LCC is an institution committed to the betterment of diverse ethnic populations. LCC's commitment to the promotion of cultural awareness and education, accomplished through its quality workforce programs, is the ideal institution for developing and administering a program to provide comprehensive services to the Micronesian, Marshallese, and Palauan communities. Furthermore, your Committees determine that areas on Oahu which require particular attention include Waipahu and Kalihi, where the number of these immigrants is much higher. Therefore, your Committees believe that the development of pilot programs for Waipahu and Kalihi will provide comprehensive services to the greatest number of Micronesian, Marshallese, and Palauan immigrants for the betterment of their quality of life, as well as the development of a skilled workforce that need not become dependent upon public assistance.

Funding for these programs should be derived from Compact-Impact moneys allotted to Hawaii by the federal government pursuant to the Compact of Free Association Amendments Act of 2003, P.L. 108-188, 11 Stat. 2027. Your Committees find that \$11,552,277 in Compact-Impact funds were appropriated to Hawaii by the federal government and that \$1,000,000 of this money should be appropriated to the Office of Continuing Education at LCC to fund the aforementioned pilot programs. Your Committees believe that the expenditure of funds to properly educate and train these individuals will ultimately inure to the benefit of the State by means of creating a trained workforce and decreasing the cost to the State by limiting the number of individuals requiring public assistance.

Accordingly, your Committees have amended this measure by making nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Labor and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 214, S.D. 1, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 214, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Menor, Taniguchi, Tsutsui).

SCRep. 2480 Labor on S.B. No. 1302

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 10, institutional, health, and correctional workers.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for institutional, health, and correctional workers who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Judiciary, the Office of Collective Bargaining, the Hawaii Government Employees Association, Managerial and Confidential Employees Chapter, and the United Public Workers, AFSCME, Local 646, AFL-CIO.

Your Committee finds that a two-year arbitrated settlement for Unit 10 has been awarded, covering the fiscal biennium 2003-2005. Your Committee further finds that the Governor and the Legislature are committed to addressing retention and morale issues associated with Unit 10 through increased compensation provided for in the arbitrated settlement. The arbitrated settlement applies retroactively to July 1, 2003; therefore, your Committee determines that an emergency appropriation is necessary to ensure that adequate funds are available to compensate the employees of Unit 10 for the entire fiscal biennium of 2003-2005.

Accordingly, your Committee has amended the measure as follows:

- (1) By including language that identifies the authority under which the governor seeks the emergency appropriations;

- (2) By changing the program identification code reference from administrative director services (JUD 201) to administration (JUD 601);
- (3) By including dollar amounts for cost items as provided in the arbitrated settlement for Unit 10;
- (4) By changing the effective date of the Act from July 1, 2004 to be effective upon its approval; and
- (5) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1302, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1302, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2481 Human Services on S.B. No. 2228

The purpose of this measure is to make amendments to general assistance eligibility for persons between 18 and 65 years of age by:

- (1) Requiring review of medical records before claim denial if no disability is determined;
- (2) Requiring the Department of Human Services to give prompt notice of treatment recommendations and authorizing the treating doctor to determine compliance with the recommendations; and
- (3) Combining physical and mental disabilities to determine general assistance eligibility.

Testimony in support of the measure was submitted by the Legal Aid Society. The Department of Human Services submitted testimony in opposition.

Your Committee finds that general assistance benefits are designed to assist individuals who are unable to work because of a disability. Often applicants are denied, but only to be overturned after a review of their medical records during a hearing. It is also undeniable that consideration shall be given to both physical and mental examinations. Physical problems usually exacerbate mental impairments and these combined can render the person unable to work. Furthermore, recipients of general assistance are not always given clear treatment recommendations. This measure attempts to remedy these problems in the program.

After further consideration, your Committee has amended this measure by adding further clarifying language to ensure that qualified applicants receive these benefits. Technical, nonsubstantive amendments were made for the purposes of conforming to legislative drafting style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2228, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2482 Human Services on S.B. No. 2605

The purpose of this measure is to amend the level of care payments and to appropriate funds.

Testimony in support of this measure was submitted by the Hawaii Coalition of Care Home Administrators, the United Group of Home Operators, Mililani Care Home, Mellie Malabed Care Home, and Cacal's Care Home. The Department of Human Services submitted testimony in opposition.

Your Committee finds that the majority of adult residential care home (ARCH) residents are medicaid clients. Due to the higher cost of living in Hawaii, it is becoming more difficult to operate an ARCH for these residents who need constant care. The State needs to encourage more care home operators to open up and provide alternative living arrangements for our elders. This measure will provide a fair compensation to those who care for the elderly and physically challenged.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2605 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2483 (Majority) Human Services on S.B. No. 2675

The purpose of this measure is to add as a discriminatory practice in real property transactions the discrimination against individuals who live with an animal.

Testimony in favor of this measure was submitted by the Hawaii Disability Rights Center, Hawaiian Humane Society, Kauai Humane Society, Animal CARE Foundation, and seventeen private citizens. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, Hawaii Civil Rights Commission, and Hawaii Association of Realtors.

Your Committee finds that interaction between animals and individuals have a very positive effect on emotional and psychological well being. Furthermore, doctors have recommended companion animals for persons with disabilities because the animals greatly decrease a person's stress levels and improve an individual's ability to function and cope with their disability on a daily basis. Unfortunately, many condominium associations, community associations, and landlords are unwilling or do not allow pet owners to buy or rent in their communities.

Your Committee has amended this bill by more appropriately amending the Landlord-Tenant Code to prohibit landlords from including clauses in their agreements that prohibit pets in the dwelling units.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2675, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Trimble). Excused, 3 (Hooser, Inouye, Tsutsui).

SCRep. 2484 Human Services on S.B. No. 2936

The purpose of this measure is to provide state-funded medical assistance of pregnant legal immigrants whose family income does not exceed 185% of the federal poverty level for Hawaii.

Testimony in favor of this measure was submitted by the Department of Human Services, Hawaii Primary Care Association, Healthcare Association of Hawaii, Kokua Council, Na Loio, and an individual.

Your Committee finds that timely and regular prenatal care enhances the birth of a healthy baby, lessens the possibility of a complicated delivery or low birth weight, and prevents additional medical services. The passage of this measure will assist those immigrant mothers who are ineligible for other programs due to their immigrant status.

Technical, nonsubstantive amendments were made to conform to legislative drafting style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2936, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Tsutsui).

SCRep. 2485 (Joint) Human Services and Education on S.B. No. 3230

The purpose of this measure is to appropriate funds for childhood care programs.

Testimony in support of the measure was submitted by Rainbow Schools, Punana Leo o Ko'olauloa, Hawaii Family Support Institute, and five individuals.

Your Committees find that preschool aged children from low income families are academically at-risk upon reaching kindergarten due to the lack of affordable quality preschool education. Furthermore, there is scientific evidence that many of these children are inadequately nurtured and stimulated between birth and age five. Family support and health and early intervention services need to be holistically blended to meet the needs of young children and their families. This measure will assist in the healthy development of Hawaii's young children.

Accordingly, your Committees have amended the bill by clarifying the objectives of the early childhood care programs and specifying that the funding be used for "community-based, comprehensive direct service delivery systems".

As affirmed by the records of votes of the members of your Committees on Human Services and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3230, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3230, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Ige, Inouye, Hogue, Trimble).

SCRep. 2486 (Joint) Labor and Education on S.B. No. 2073

The purpose of this measure is to clarify the law that allows the University of Hawaii (UH) to implement an optional retirement system for its employees.

Specifically, this measure:

- (1) Clarifies that part-time and temporary UH employees are not eligible for membership in the optional retirement system;
- (2) Requires the State to remit to UH an amount equal to six percent of an employee's compensation on behalf of an employee electing to participate in the optional retirement system; and
- (3) Prohibits an employee who switches from membership in the ERS to the optional retirement system, after its establishment, from thereafter transferring from one system to the other.

Testimony in support of this measure was submitted by the University of Hawaii, the University of Hawaii Professional Assembly, and AIG VALIC.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance (DB&F) and the Hawaii Government Employees Association.

Your Committees find that under the current law the employer's contribution to the optional retirement plan cannot exceed the amount for any group covered by the Employees' Retirement System (ERS). Your Committees further find that this limitation has rendered the implementation of an optional system impossible in that the amount of the employer's contribution fluctuates based on market conditions. Your Committees determine that this limitation should be removed and replaced with language requiring the State to remit to UH an amount equal to six percent of the employee's contribution, an amount determined to be the normalized employer contribution rate for the ERS, in lieu of any contribution it would have made to the ERS on the employee's behalf.

Your Committees also determine that in order to better serve the needs of the employees, UH should be required to contract with multiple vendors for the provision of investment options for the employees, a practice that is widely utilized nationwide. Additionally, as UH will be responsible for obtaining funding for any plan costs that exceed the amount of the State's remittance to UH, the option should be available for the employee and employee organization to negotiate for a contribution amount in excess of six percent. Your Committees also believe that the benefits of the optional retirement system should be extended to include employees who are appointees of the UH Board of Regents.

However, although it is UH's position that a fixed contribution rate will not increase the cost to the State, but will instead allow UH to establish an optional retirement system on par with those provided at mainland universities, it is the contention of DB&F that additional costs to the State will be incurred. DB&F contends that, due to the fact that pension accumulation costs are actuarially determined with appropriations based upon a three-year lag, the State would be required to make double contribution payments on behalf of employees enrolled in the optional retirement system. As the issue of increased costs to the State and other matters remain unresolved, your Committees determine that this measure should continue in the legislative process as a vehicle for further discussion.

Accordingly, your Committees have amended this measure by:

- (1) Requiring UH to designate at least three companies to provide annuity contracts, mutual fund accounts, or similar investment products under the program, and to require the designation to be based upon the following criteria:
 - (A) The nature and extent of the rights and benefits to be provided by the contracts or accounts, or both, of participants and their beneficiaries;
 - (B) The relation of the rights and benefits to amount of contributions to be made;
 - (C) The suitability of these rights and benefits to the needs of the participants;
 - (D) The ability and experience of the designated companies in providing suitable rights and benefits under the contract or accounts, or both; and
 - (E) The ability and experience of the designated companies to provide suitable education and investment options;
- (2) Authorizing the inclusion of UH employees appointed by the Board of Regents in the optional retirement system;
- (3) Authorizing the negotiation, between an employee and employee organization, of a contribution amount to the optional retirement system that is larger than six percent of an employee's compensation;
- (4) Removing the restriction that an employee who is a member of the ERS, but who upon establishment of the optional retirement system switches to being a member of the optional retirement system, may not thereafter transfer from one system to the other;
- (5) Allowing an employee hired after the establishment of the optional retirement system, who has elected participation in the ERS, the opportunity to opt out of the ERS and become a member of the optional retirement system within thirty days of the date of hire; and
- (6) Changing the effective date of the measure from being effective upon approval to July 1, 2050, to promote further discussion on the measure.

As affirmed by the records of votes of the members of your Committees on Labor and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2073, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2073, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Kawamoto, Menor, Taniguchi, Tsutsui).

SCRep. 2487 (Joint) Labor and Education on S.B. No. 2424

The purpose of this measure is to allow new century charter school employees to retain their civil service status that was possessed prior to conversion.

This measure also:

- (1) Allows new century conversion charter schools to offer employees hired after conversion the choice of civil service status; and
- (2) Allow employees of new century conversion charter schools to retain civil service status upon transfer to a non-charter department of education school.

Testimony in support of this measure was submitted by the Department of Human Resources Development (DHRD), Kualapuu Elementary School, Waimea Middle School, the Hawaii State Teachers Association, the Hawaii Government Employees Association, the Hawaii Business Roundtable, the Hawaii Association of Independent Schools, Good Beginnings Alliance, and Ho'okako'o Corporation.

Comments on the measure were also submitted by the Department of Education (DOE).

Your Committees find that Act 2, Session Laws of Hawaii 2002, enabled a non-profit corporation to partner with an existing public school to become a new century conversion charter school. Your Committees further find that the new century conversion charter schools provide the opportunity for greater flexibility, choice, and accountability in public schools, concentrating on improved student achievement. However, it was determined by DHRD that upon conversion, charter school employees lose their civil service status, and any requisite benefits. Subsequently, DOE and DHRD reached a one-year agreement to allow charter school employees to continue their civil service status, in hopes that resolution by the Legislature would follow.

Your Committees determine that this loss of civil service status was not a contemplated consequence of such conversion and places the affected employees in a precarious position. Additionally, your Committees determine that current charter schools may be forced to rescind their charter school status, and the conversion of additional schools is jeopardized due to the fact that the schools will not consider conversion if the result will be to strip current civil service employees of their current status. As a result, our students and communities will suffer from the lack of benefits of the partnership with the non-profit corporations.

Therefore, your Committees find that employees of conversion charter schools should be permitted to retain their civil service status upon conversion or transfer from a conversion charter school to a DOE school, and that conversion charter schools should also be permitted to provide the choice of civil service status to new hires. Additionally, your Committees believe that further assurances should be established to ensure that new employees, hired after conversion, are provided with the choice of civil service status.

Accordingly, your Committees have amended this measure by requiring the Department of Human Resources Development to develop and implement procedures to ensure that employees hired after conversion are provided with the choice of civil service status.

As affirmed by the records of votes of the members of your Committees on Labor and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2424, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2424, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Menor, Taniguchi, Tsutsui).

SCRep. 2488 (Majority) Labor on S.B. No. 2942

The purpose of this measure is to amend the law relating to the salaries of various positions to make them more competitive to attract and retain qualified staff.

Testimony in support of this measure was submitted by the Department of Budget and Finance, the Office of Veterans Services, the Advisory Board on Veterans Services, the Department of Health, and the Department of Human Resources Development.

The specific positions are within:

- (1) Hawaii Labor Relations Board;
- (2) Stadium Authority;
- (3) Civil Defense Agency;
- (4) Housing and Community Development Corporation of Hawaii;

- (5) Public Utilities Commission;
- (6) Office of Solid Waste Management;
- (7) Executive Office on Aging;
- (8) Hawaii Paroling Authority;
- (9) Office of Veterans' Services;
- (10) Labor and Industrial Relations Appeals Board;
- (11) Office of Community Services; and
- (12) Office of the Public Defender.

Your Committee finds that the salary levels for these positions are established by statute and beyond the review of the Executive Salary Commission. Although the Executive Salary Commission is expected to make salary recommendations in the near future, adjustments to the salary level of these positions, excluded from its review, must be accomplished separately, by statutory amendment. However, the salary levels for seven of these positions have remained unchanged for over a decade. Your Committee further finds that the salary levels for seven of these positions were set within the range of a deputy or assistant to a department head, which seems to indicate that such salary levels were intended to be established on a level equivalent to those of a deputy director or assistant.

Therefore, your Committee determines that it is necessary to provide for the adequate compensation of the individuals in these positions at a level commensurate with their responsibilities, experience, and performance in order to recruit and retain qualified individuals. However, your Committee also determines that further clarification is necessary to specify who will determine the salary for those positions not tied to a deputy director's salary.

Accordingly, your Committee has amended this measure by:

- (1) Changing the salary of the Executive Director and Executive Assistant of Housing and Community Development Corporation of Hawaii to be set by the appointing authority, the Corporation;
- (2) Specifying the appointing authority for each position to which a salary is determined by such appointing authority;
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2942, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2489 (Joint) Labor and Judiciary and Hawaiian Affairs on S.B. No. 2977

The purpose of this measure is to allow deputy sheriffs to retire after twenty-five years of credited service, regardless of age.

Testimony in support of this measure was submitted by the Department of Public Safety, the Department of Land and Natural Resources, and the Hawaii Government Employees Association.

Comments on this measure were also submitted by the Employees' Retirement System.

Your Committees find that unlike similarly situated law enforcement and public safety officers, deputy sheriffs are individuals who possess full police powers, yet under the current law they are not eligible to retire after twenty-five years of service without penalty, regardless of age upon retirement. Your Committees also determine that deputy sheriffs engage in hazardous, stressful, and physically demanding activities, and are constantly exposed to similar threats and dangers encountered by other law enforcement and public safety officers. Therefore, your Committees determine that some level of parity with regards to the rights and benefits received should exist among these law enforcement and public safety officers who are exposed to similar hazards and perform similar duties.

Accordingly, your Committees have amended this measure by:

- (1) Deleting Section 1, which created a new section within chapter 88, Hawaii Revised Statutes, on unreduced allowance on service retirement;
- (2) Including an amendment to section 88-74.6, HRS, to allow deputy sheriffs to retire with at least twenty-five years of credited service, on or after July 1, 2004, regardless of age; and
- (3) Including a new definition to section 88-21, HRS, for deputy sheriffs.

As affirmed by the records of votes of the members of your Committees on Labor and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2977, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2977, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2490 Labor on S.B. No. 3017

The purpose of this measure is to establish a bill of rights for law enforcement officers.

Testimony in support of this measure was submitted by the State of Hawaii Organization of Police Officers.

Testimony in opposition to this measure was submitted by the Department of Human Resources of the City and County of Honolulu, the Honolulu Police Department, the Hawaii County Police Department, and the Maui County Police Department.

Comments on this measure were also submitted by the Office of Information Practices.

Your Committee finds that a law enforcement officer plays a unique and crucial role in our society. A law enforcement officer is tasked with the responsibility to protect our citizens and maintain order within the community, and, as a result, is empowered with a considerable amount of authority in order to satisfy these obligations. Your Committee further finds that when a law enforcement officer is the subject of a criminal or internal investigation, clear procedures and guidelines must be in place in order to prevent the violation of a law enforcement officer's constitutional and statutory rights. Therefore, your Committee determines that although law enforcement officers may attempt to garner protections for themselves through an agreement with their employers, certain rights should be statutorily mandated to ensure the proper protection of these individuals. Additionally, your Committee believes that the protections already available to an officer with regard to the officer's ability to respond to adverse comments and correct errors in the officer's personnel records, under the Uniform Information Practices Act, should not be abrogated or otherwise diminished, but should remain intact.

Accordingly, your Committee has amended this measure by:

- (1) Prohibiting a disciplinary action to be imposed on a law enforcement officer prior to the execution of step 4, instead of step 3, of the grievance appeal process;
- (2) Deleting language relating to procedures for the response to adverse comments;
- (3) Deleting language relating to the correction of an officer's personnel records;
- (4) Including language referencing part III of chapter 92F, the Uniform Information Practices Act, with regard to an officer's rights and the procedures for responding to adverse comments and correcting an officer's personnel records; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3017, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

SCRep. 2491 Labor on S.B. No. 3226

The purpose of this measure is to allow the surviving spouse or surviving reciprocal beneficiary of a police officer, firefighter, deputy sheriff, or public safety officer to continue to receive pension and other retirement benefits, resulting from their former spouse's employment, upon remarriage, marriage, or entry into a new reciprocal beneficiary relationship.

Testimony in support of this measure was submitted by the Honolulu Police Department, the State of Hawaii Organization of Police Officers, Concerns of Police Survivors, Hawaii Chapter, and an individual.

Testimony in opposition to this measure was submitted by the Department of Human Resources for the City and County of Honolulu.

Comments on this measure were also submitted by the Department of Budget and Finance and the Employees' Retirement System (ERS).

Your Committee finds that Hawaii's law enforcement and public safety officers are among the finest and bravest officers in the nation. Your Committee further finds that these individuals are only able to effectively protect and serve our communities with the support of their families. Due to the nature of their positions, law enforcement and public safety officers are exposed to considerable hazards, often work irregular hours, and are faced with a great deal of stress which can put a strain on their home life. Your Committee determines that the sacrifices of not only the law enforcement and public safety officers, but also the families, should not go

unrecognized. Upon the death of a law enforcement or public safety officer, the family is faced with numerous difficulties, with the main objective being to continue to move on with their lives, especially when there are surviving minor children involved. Therefore, the surviving spouse or surviving reciprocal beneficiary should not be stripped of the deceased law enforcement or public safety officer's retirement benefits due to remarriage, marriage, or entry into a new reciprocal beneficiary relationship.

Accordingly, your Committee has amended the measure by:

- (1) Adding a new definition for "public safety officer";
- (2) Clarifying that excluded from restrictions on pensions are benefits payable to beneficiaries or retirants of the ERS under parts II and VII of chapter 88, Hawaii Revised Statutes;
- (3) Clarifying that payments to surviving children under eighteen will not be made unless the surviving spouse or surviving reciprocal beneficiary dies;
- (4) Deleting the amendment allowing a surviving spouse or surviving reciprocal beneficiary to continue to collect retirement benefits upon the ordinary death of a law enforcement or public safety officer, as such amendment was not in line with the intent of the measure; and
- (5) Making technical, nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3226, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

SCRep. 2492 (Majority) Labor on S.B. No. 3227

The purpose of this measure is to authorize the establishment of a five-year voluntary employees' beneficiary association (VEBA) trust pilot program that allows public employee organizations to establish a VEBA trust to provide health benefits to their members.

Specifically, this bill:

- (1) Exempts employees covered by VEBA trusts from mandatory participation in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) pursuant to chapter 87A, Hawaii Revised Statutes;
- (2) Allows public employee organizations that establish VEBA trusts to provide health benefits to members both during their employment and throughout their retirement years; and
- (3) Provides current retirees, who were members of a public employee organization prior to their retirement, with a one-time option of electing to participate in either the Hawaii EUTF or a VEBA trust established by their public employee organization.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association, the Hawaii State Teachers Association-Retired, the Hawaii State Teachers Association Voluntary Employees' Beneficiary Association Trust, and thirty-nine individuals.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that with the escalating cost of medical coverage, alternate methods for the provision of health benefits to public employees must be explored and analyzed. Your Committee further finds that a pilot program for the establishment of VEBA trusts will provide valuable insight to the viability of VEBA trusts as a cost-savings mechanism for the State. Your Committee determines that information provided indicates that VEBA trusts will provide public employees with an option for health care coverage, apart from participation in the EUTF, without any increase in cost to the State or the various counties. Your Committee believes that this measure will encourage increased competition and result in lower premium rates for public employee health insurance.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that upon repeal of the Act, amendments deleting references to the public employees health fund that were replaced by references to the employer-union health benefits trust fund shall be retained; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3227, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

SCRep. 2493 (Joint) Education and Labor on S.B. No. 2051

The purpose of this measure is to:

- (1) Authorize issuance of \$85,000,000 in general obligation bonds during fiscal year 2004-2005 for the construction of UH-West Oahu campus facilities; and
- (2) Provide preference on construction contracts for this project to companies primarily located and operating within Hawaii.

Your Committees received testimony in support of the measure from the Chancellor of the University of Hawaii-West Oahu, Director of Capital Improvements of the University of Hawaii, University of Hawaii Student Caucus, Student Body President of the University of Hawaii-West Oahu, Treasurer of the Associated Students of the University of Hawaii-West Oahu, Professional Studies senator of the Associated Students of the University of Hawaii-West Oahu, Estate of James Campbell, Directions Corporation, seven neighbor island students of the University of Hawaii-West Oahu pursuing their degrees through distance learning, a student of the University of Hawaii-West Oahu from Makakilo, and five alumni of the University of Hawaii-West Oahu.

Your Committees find that the University of Hawaii-West Oahu has been in existence for over twenty-seven years, graduated over 3,000 students, and still has no permanent campus. It is time to construct one, especially in light of the fact that the Leeward Coast of Oahu is the fastest growing region of the State and the nucleus of a second major urban area on Oahu. To provide higher educational opportunities for this area, a full-fledged branch of the University of Hawaii should be established.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2051 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Menor, Taniguchi, Tsutsui, Hogue, Slom).

SCRep. 2494 Education on S.B. No. 2061

The purpose of this measure is to make technical conforming amendments to the interstate agreement on qualifications of educational personnel.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii Teacher Standards Board, and Hawaii Association of Independent Schools.

Your Committee finds that, as teacher licensing activities have shifted from the Department of Education to the Hawaii Teacher Standards Board, there is a corresponding need to make the necessary technical conforming amendments to the Hawaii Revised Statutes that reflect this transition. This measure does so by making the Hawaii Teacher Standards Board the official agency for the State in matters of teacher licensure and reciprocity agreements.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2061 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

SCRep. 2495 Education on S.B. No. 2069

The purpose of this measure is to appropriate funds to the Hawaii Teacher Standards Board to implement and administer a support program for national board certification candidates in the Department of Education.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii Teacher Standards Board, Hawaii State Teachers Association, and Hawaii Association of Independent Schools, and three national board certified teachers.

Your Committee finds that teacher quality is of the utmost importance to student achievement. A program dedicated to supporting those Department of Education teachers who attempt to earn the highest level of certification possible, national board certification, will be a tremendous asset in improving teacher quality. It is also an important tool for teacher retention as well, in that it allows teachers to advance in their profession without leaving the classroom. This would aid in alleviating the teacher shortage.

Your Committee further finds that teachers who have been through the extremely rigorous process of application for national board certification universally consider it to be a professional development exercise of the highest value. This, too, improves teacher quality, not merely by accrediting outstanding teaching practice but by actually cultivating it in the application process itself as well.

Your Committee has amended the measure by adding "candidate recognition initiatives" to the list of support activities authorized to be conducted by the Hawaii Teacher Standards Board under this program.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2069, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

SCRep. 2496 (Joint) Education and Labor on S.B. No. 2256

The purpose of this measure is to appropriate funds for personnel clerks in the Department of Education.

Your Committees received testimony in support of the measure from the University of Hawaii, Department of Education and Hawaii State Teachers Association.

Your Committees find that there are currently an inadequate number of personnel clerks to meet the demands for the processing of recruitment, reclassification, records and transactions, and payroll requests for the increasing number of teachers. For the Department of Education personnel staff, overtime hours have become a necessity in order to complete processing of teacher requests and enable teachers to receive their salary increases. The overtime work is ongoing throughout the year resulting in long illnesses among the staff.

Your Committees further find that the lack of adequate staffing has also been compounded by the Department of Education's inability to fill many vacancies due to the freeze on hiring. Consequently, there has been an additional delay in overall processing of teacher requests.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2256, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Menor, Taniguchi, Tsutsui, Hogue).

SCRep. 2497 Education on S.B. No. 2425

The purpose of this measure is to expedite funding for new century charter schools.

Your Committee received testimony in support of the measure from the Hookakoo Corporation, Waimea Middle School, Kualapuu Elementary School, Hawaii Charter Schools Network, Hawaii Association of Independent Schools, Good Beginnings Alliance, and Hawaii Political Action Council of Hawaii. Your Committee received comments regarding the measure from the Department of Education.

Your Committee finds that the administration and service delivery of charter schools is often made difficult by delays in receipt of funding from the Department of Education. Nevertheless, charter schools cannot reasonably expect to receive all of their funding within the first two months of the school year. Fiscal responsibility on the part of the State of Hawaii requires that some of the funding be withheld for a certain period to offset any potential adjustments to the state budget.

Your Committee has amended the measure by:

- (1) Requiring a new century charter school's per pupil allocation based on the new century charter school's projected student enrollment to be provided no later than July 20, instead of August 1;
- (2) Authorizing the Legislature to adjust the most recently published Department of Education consolidated annual financial report; and
- (3) Adding fringe and other employee benefits, and facility costs, to collective bargaining and other requested amounts that the Legislature may appropriate.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2425, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2498 Education on S.B. No. 2428

The purpose of this measure is to establish the Hawaii Administrator Standards Board.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii Teacher Standards Board, Hawaii State Teachers Association, Hawaii Government Employees Association, Hawaii Association of Independent Schools, and a private individual.

Your Committee finds that Act 249, Session Laws of Hawaii 2002, mandated the Department of Education to convene a working group of key stakeholders and take foundational steps towards establishing an independent body to set and monitor standards for education administrators, with July 1, 2005 as the target date for implementation. This is congruent with a positive national trend towards the professionalization of education administrators and administrators that is proceeding apace with a similar trend in the teaching profession. Such an independent body could provide a uniform criteria for competency system-wide and eliminate the appearance of a possible conflict of interest in having the employing agency serve as the licensing agency.

Your Committee has amended the measure by:

- (1) Deleting any authority of the Hawaii Administrator Standards Board over private schools;
- (2) Stipulating that all members shall be appointed by the Governor, except for the Superintendent of the Education or designee, the chairperson of the Board of Education or the chairperson's designee, and an active faculty member of a university-level education administration training program, appointed by the dean of the University of Hawaii College of Education, who shall serve a three-year term;
- (3) Staggering the terms of five education administrators appointed by the Governor as such: two for three years, two for two years, and one for one year;
- (4) Assigning the community member appointed by the Governor a three-year term;
- (5) Replacing all references to "educational officers" with "education administrators";
- (6) Replacing all references to "certification" with "license";
- (7) Making conforming amendments to the Hawaii Revised Statutes to reflect the change in terminology from "certification" to "license" and the change in responsibility for licensing from the Department of Education to the Hawaii Administrator Standards Board; and
- (8) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2428, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

SCRep. 2499 (Joint) Education and Labor on S.B. No. 2789

The purpose of this measure is to appropriate \$32 million for teacher annual increment step increases.

Your Committees received testimony in support of the measure from the Department of Education and Hawaii State Teachers Association. Your Committees received testimony in opposition to the measure from the Governor's Office of Collective Bargaining.

Your Committees find that annual incremental movement is a valuable tool for recruiting and retaining teachers. Funding for automatic annual incremental step movements, based on a satisfactory evaluation, is critical to keeping Hawaii's salaries competitive, thereby lessening our teacher shortage. However, the affected parties are in the process of collective bargaining negotiations. It would be premature to mandate a specific figure for annual incremental step increases until these negotiations are concluded.

Your Committees have amended the measure by eliminating any specific appropriation figure.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2789, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2789, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Menor, Taniguchi, Tsutsui, Hogue).

SCRep. 2500 (Joint) Education and Labor on S.B. No. 3020

The purpose of this measure is to provide funding for the staffing and facilities to ensure that the intent of the multi-track schooling approach does not result in lesser quality education for communities with high population growth.

Your Committees received testimony in support of the measure from the Department of Education, Hawaii State Teachers Association, and Hawaii Government Employees Association.

Your Committees find that sufficient funding remains an issue for schools that implement multi-track schooling. A major component of this educational initiative is the fundamental belief that multi-track schools save the public educational system a substantial amount of revenue. If that is correct, some of those revenues should be transferred to the schools, which should not be left to struggle for funding for staffing and facilities.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3020 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Menor, Taniguchi, Tsutsui, Hogue, Slom).

SCRep. 2501 Education on S.B. No. 3074

The purpose of this measure is to appropriate funds for the planning, design, and construction of a new public high school in Kihei, Maui, and to dedicate land for the use of the Kihei public charter high school.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee finds that there is a need to build a high school in Kihei, Maui to address the rapidly-growing population in that area. Your Committee notes that there is no local public high school in Kihei, and believes that this measure will appropriate the necessary funds to address that need.

Your Committee has made technical, nonsubstantive amendments to make all references in the measure consistent with the budget line items.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3074, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3074, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2502 Education on S.B. No. 3239

The purpose of this measure is to:

- (1) Require the employment term of each full-time teacher in Department of Education schools to be not less than eleven months annually, provided that not less than one of those months is dedicated to twenty days of planning and professional development; and
- (2) Grandfather existing collective bargaining agreements.

Your Committee received testimony in support of the measure from the Department of Education and Hawaii State Teachers Association. Your Committee received testimony in opposition the measure from the Director of Finance and an individual.

Your Committee finds that as every other sector of our society works on a year-round basis, similarly, school personnel should work on a year-round basis. This will also provide much needed time for teachers to plan curriculum, grade level alignment, standard implementation design, accreditation, and numerous in-services on a variety of topics. However, the cost factor of placing all public school teachers on such an employment term would be prohibitive.

Your Committee has amended the measure by:

- (1) Adding appropriation and expending agency sections, and specifying that these sections shall take effect on July 1, 2004; and
- (2) Specifies that the bill applies to the employment term of not more than five per cent of classroom teachers, based on classroom teachers as defined by the Department of Education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3239, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2503 (Joint/Majority) Science, Arts, and Technology and Economic Development on S.B. No. 3024

The purpose of this measure is to enact various capital formation tools.

Specifically, these capital formation tools include: enacting the State Private Investment Fund, modeled after a similar and highly successful Oklahoma model, to stimulate increased venture capital investment; providing tax credits for qualifying research activities, technology infrastructure renovations, and high technology business investments; retaining the federal definition of "research and development," as defined in the Internal Revenue Code, to limit research and development related tax credits to qualified high technology businesses; and making an appropriation for the state private investment fund.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism; the Department of Taxation; the Hawaii Technology Trade Association; Hawaii Venture Capital Association; Broadband iTV Inc.; HiBEAM; and seven individuals.

Your Committees find that Hawaii is at a crossroads in determining its economic future. To obtain sustained and balanced economic growth, the State must establish critical private-public partnerships, encourage research and high technology related development in Hawaii, provide necessary venture capital for start-ups, and provide access to financing for Hawaii's technology and high growth firms. This measure, while still a work in progress, is a critical first step in providing a blue print guiding Hawaii's economy. By adopting a multifaceted approach, as this measure does, Hawaii can achieve a diversified economy, increased tax revenues, and sustained economic growth.

Your Committees have amended the measure by:

- (1) Adopting additional capital formation tools in addition to the State Private Investment Fund, including tax credits for qualifying research activities, technology infrastructure renovations, and high technology business investments;
- (2) Retaining the federal definition of "research and development," as defined in the Internal Revenue Code, in order to limit research and development related tax credits to qualified high technology businesses;
- (3) Requiring the Department of Business, Economic Development, and Tourism to certify tax credits allowed to a qualifying high technology business to ensure that the disclosures required of qualifying high technology businesses do not violate state and federal confidentiality provisions;
- (4) Making an appropriation to fund the State Private Investment Fund; and
- (5) Changing the effective date to July 1, 2020 to make the bill defective in order to promote continuing discussion.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3024, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3024, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, 1 (Trimble). Excused, 1 (Kanno).

SCRep. 2504 (Joint/Majority) Economic Development and Science, Arts, and Technology on S.B. No. 2558

The purpose of this measure is to increase the amount of tax credits for eligible performing arts projects produced in the State of Hawaii. This measure also recognizes that digital media products and sound recordings are eligible performing arts projects for purposes of this tax credit.

Testimony in support of the measure was received from two individuals. Testimony in opposition to the measure was received from the Screen Actors Guild Hawaii Branch, American Federation of Musicians, Local 667, and International Alliance of Theatrical and State Employees. Offering comments on the measure were the Department of Business, Economic Development, and Tourism as well as the Department of Taxation.

In addition, your Committees received testimony in support of many of the concepts included in other film legislation, which are now incorporated in this amended measure.

Your Committees find that Hawaii's film and television industries contribute significantly to both the state's economy and to the islands' image throughout the world. Despite these successes, Hawaii now finds itself facing increasing competition in the form of tax credits and other financial incentives offered by a number of states and countries. Your Committees are strongly supportive of the efforts of the administration and the industry to offer greater incentives to attract and expand entertainment production activities in Hawaii and have incorporated many of the concepts introduced by both in this amended measure.

Your Committees also wish to express their support for a greater emphasis on "growing the local talent" in order to provide for long range growth and stability of Hawaii's entertainment production industries.

Your Committees have amended this measure by deleting its contents and inserting many of the provisions of S.B. No. 2870, heard previously by the Committees. As amended, this measure:

- (1) In the findings and purpose section discusses the importance of the entertainment industry in Hawaii – including motion picture, film production, digital media and sound recordings -- and the evolving nature of the production segments of the industry;
- (2) Amends 235-17 to clarify the title;
- (3) Retains the proposed increase of the tax credits at fifteen percent for Honolulu and twenty percent for neighbor islands;
- (4) Deletes the language that requires the director of taxation to specify allowable tax credits by rule, as this is no longer necessary under the new DBED&T certification;

- (5) Sets dollar thresholds for motion picture, television, commercial and sound recording productions and allows some flexibility for productions that employ Hawaii residents, and sets wage conditions for meeting the thresholds;
- (6) Requires acknowledgement of the support of the State of Hawaii;
- (7) Establishes a DBED&T certification process;
- (8) Deletes the proposed cap of \$2,000,000 per production and \$10,000,000 per year, but retains the total cap of \$60,000,000;
- (9) Adds new definitions for “below-the-line hires”, “commercials”, “post production”, “production”, and “sound recording”;
- (10) Under section 235-110, retains the proposed language requiring acknowledgement of support of State of Hawaii; and
- (11) Retains the language regarding job creation or post production requirements and adds language regarding wages subject to Hawaii income taxes.

Your Committees understand there may be concerns regarding the deletion of the per production and annual cap amounts. These caps, which members acknowledge are a means of predicting the annual financial impacts of the tax credits, may serve to deter, not encourage investment. In some cases, the caps may actually result in a lesser amount of projected revenue than is currently the case. For example, with a \$10,000,000 cap the total amount of production that would receive the full credit in a year would be \$66,000,000 on Oahu or \$50,000,000 on the neighbor islands. If a cap is necessary it should be set at a level that reflects the State’s goals for the industry.

Your Committees wish to thank all those who contributed to this “work in progress” and look forward to continuing dialogue with the administration and industry representatives in crafting legislation that will help develop digital media into a significant part of Hawaii’s economic base.

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2558, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2558, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Trimble). Excused, 2 (English, Kanno).

SCRep. 2505 Education on S.B. No. 2427

The purpose of this measure is to establish teacher licensure reciprocity with other states’ licensure and national board certification.

Your Committee received testimony in support of the measure from the Department of Education. Your Committee received testimony in opposition to the measure from the Hawaii Teacher Standards Board and Hawaii State Teachers Association.

Your Committee finds that establishing teacher licensure reciprocity with other states’ licensure and national board certification could be an important component of teacher recruitment and thereby help alleviate the teacher shortage.

Your Committee has amended the measure by:

- (1) Deleting provisions relating to licensure reciprocity, alternative routes to licensure, and national board certification; and
- (2) Requiring the board to clearly state, using a means easily accessed and format easily interpreted by the general public, precisely which specific requirements a licensed teacher from out of state needs, on a state-by-state basis, to complete to be a licensed teacher in Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2427, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

SCRep. 2506 Transportation, Military Affairs, and Government Operations on S.B. No. 245

The purpose of this measure is to require the Department of Transportation (DOT) to transfer jurisdiction and operation of the vanpool program to the respective counties in which the program is in operation.

Testimony in support of this measure was received from the Department of Transportation. Testimony in opposition was received from the Honolulu Department of Transportation Services, Vanpool Hawaii, Leeward Oahu Transportation Management Association, and two individuals. Comments were received from one individual.

Your Committee views this measure as a home rule issue. For years the counties have requested more autonomy over programs and operations that they view as uniquely local.

According to testimony of the DOT, it is in the process of advertising for a request for proposals to operate the vanpool program. It is anticipated that there will be an operator for the program selected by April 1, 2004. Your Committee has amended this measure accordingly by commencing the transfer on January 1, 2005.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 245, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 245, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Menor, Whalen).

SCRep. 2507 Judiciary and Hawaiian Affairs on S.B. No. 195

The purpose of this short form measure is to amend the law relating to information practices.

Your Committee has amended this measure by replacing its contents with language that protects trade secrets and other confidential proprietary information contained within records pertaining to tenants and prospective tenants of the Natural Energy Laboratory of Hawaii Authority from public disclosure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 195, S.D. 1, and be recommitted to the Committee on Judiciary and Hawaiian Affairs, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Kawamoto).

SCRep. 2508 Water, Land, and Agriculture on S.B. No. 267

The purpose of this short form measure is to amend the law relating to public lands.

Your Committee has amended this measure by replacing its contents with language that requires the governor or executive agency to provide reasonable, timely, and sufficient notice to the legislature whenever any action that is subject to legislative disapproval is taken on transactions involving public lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 267, S.D. 1, and be recommitted to the Committee on Water, Land, and Agriculture, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Aduja).

SCRep. 2509 Transportation, Military Affairs, and Government Operations on S.C.R. No. 12

The purpose of this measure is to express legislative support for increasing the depth of Barbers Point Harbor to fifty-six feet in a single dredging operation rather than in phases.

Testimony in opposition to this measure was received from the Department of Transportation.

This measure also requests the DOT to seek matching funds to support the dredging operation.

The basis of the DOT's opposition is that this measure is not necessary, because it is currently working with the Corps of Engineers on deepening the harbor.

Your Committee finds that the State is in search of methods to diversify the tourism industry in Hawaii; one of the avenues of exploration is to authorize cruise ships to land at various ports throughout the State, including Barbers Point. When fully loaded, cargo ships currently in operation have a draft of up to forty-five feet, and cruise liners have a draft of up to thirty-four feet. Honolulu harbor can only accommodate vessels with no more than a forty foot draft. Your Committee finds that it is imperative that there be at least one port on Oahu with a deeper draft.

Your Committee has amended this measure, based upon the testimony of the DOT, to request the harbor be deepened to forty-five feet, which your Committee finds is adequate.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 12, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 12, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Menor, Whalen).

SCRep. 2510 Transportation, Military Affairs, and Government Operations on S.R. No. 8

The purpose of this measure is to express legislative support for increasing the depth of Barbers Point Harbor to fifty-six feet in a single dredging operation rather than in phases.

Testimony in opposition to this measure was received from the Department of Transportation.

This measure also requests the DOT to seek matching funds to support the dredging operation.

The basis of the DOT's opposition is that this measure is not necessary, because it is currently working with the Corps of Engineers on deepening the harbor.

Your Committee finds that the State is in search of methods to diversify the tourism industry in Hawaii; one of the avenues of exploration is to authorize cruise ships to land at various ports throughout the State, including Barbers Point. When fully loaded, cargo ships currently in operation have a draft of up to forty-five feet, and cruise liners have a draft of up to thirty-four feet. Honolulu harbor can only accommodate vessels with no more than a forty foot draft. Your Committee finds that it is imperative that there be at least one port on Oahu with a deeper draft.

Your Committee has amended this measure, based upon the testimony of the DOT, to request the harbor be deepened to forty-five feet, which your Committee finds is adequate.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 8, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 8, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Menor, Whalen).

SCRep. 2511 Water, Land, and Agriculture on S.B. No. 2815

The purpose of this measure is to eliminate the requirement for the Governor's approval of orders amending the established minimum prices or salvage values of milk.

Testimony in support of the measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that the Governor's approval of orders amending the established minimum prices or salvage values for milk should be eliminated, because the formulas used to establish those prices and values were previously established by the prior governor through administrative rule. Thus approval of subsequent changes is unnecessary.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2815 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 2512 Water, Land, and Agriculture on S.B. No. 2969

The purpose of this measure is to delete the statutorily defined recordation hours and authorize the registrar to set office hours for recordation within the Bureau of Conveyances.

Testimony in support of the measure was submitted by the Department of Land and Natural Resources and the Land Court.

Your Committee finds that the measure will provide the Bureau of Conveyances with flexibility to adjust its hours for recordation to better serve the public and maintain efficiency in its operations.

Your Committee made technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2969, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2969, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 2513 Ways and Means on S.B. No. 2983

The purpose of this bill is to effectuate its title.

S.B. No. 2983 was introduced as a short-form bill, which is sometimes referred to as a “vehicle” bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the action to report out S.B. No. 2983, as amended herein, and recommends that it be committed to the Committee on Ways and Means, for the purpose of holding a public hearing thereon, in the form attached hereto as S.B. No. 2983, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Aduja, English, Kawamoto, Sakamoto, Tsutsui, Slom).

SCRep. 2514 (Joint) Commerce Consumer Protection and Housing and Health on S.B. No. 3237

The purpose of this measure is to make improvements to the state discounted prescription drug program known as the Rx Program.

Testimony in support of this measure was received from the following: Department of Human Services (DHS), Department of Health, AARP Hawaii, Hawaii Alliance for Retired Americans, Hawaii State Teachers Association, Hawaii State Teachers Association-Retired, Kokua Council, Faith Action for Community Equity, Hawaii State Commission on the Status of Women, Parents and Children Together, Hawaii State AFL-CIO, ILWU Local 142, and five individuals. AlohaCare testified in opposition to the measure.

Act 76, Session Laws of Hawaii 2002, established the Rx Program to provide Hawaii residents with prescription drugs at discounted prices by authorizing rebate agreements between the State and drug manufacturers, authorizing the products of nonparticipating manufacturers to be placed on a prior authorization list, requiring participating pharmacies to sell drugs to program participants at a discount, and authorizing reimbursements to participating pharmacies.

Hawaii’s program was based on a similar program established in Maine. After Maine’s program was challenged by the pharmaceutical industry and upheld by the United States Supreme Court in May, 2003, Maine revised its program to address concerns raised by the court. This measure incorporates similar changes, such as the elimination of open enrollment and the adoption of income limitations.

More specifically, this measure amends the existing program by:

- (1) Renaming the program “Rx Plus”;
- (2) Establishing program goals to make prescription drugs for qualified Hawaii residents more affordable, increase the overall health of Hawaii’s residents, promote healthy communities, and integrate the program with other state health programs, without discouraging or supplanting employer-sponsored prescription drug benefits programs;
- (3) Requiring a participating pharmacist to prescribe drugs on the preferred drug list, subject to exceptions;
- (4) Authorizing DHS to make public the names of participating drug manufacturers, in addition to nonparticipating manufacturers, and requiring DHS to establish prior authorization requirements in the QUEST program, as appropriate, to encourage manufacturer participation;
- (5) Subject to additional limitations, limiting program eligibility to a “qualified resident” defined as a Hawaii resident with a family income equal to or less than three hundred fifty per cent of the federal poverty level, including a hardship exemption for a resident who incurs unreimbursed drug expenses of five per cent or more of family income or total unreimbursed medical expenses of fifteen per cent or more of family income;
- (6) Requiring DHS to conduct ongoing quality assurance activities similar to those used in the Medicaid program;
- (7) Excluding from eligibility qualified residents who, three months prior to application, were insured under an employer-sponsored health plan for which the employer paid at least half the cost;
- (8) Establishing exceptions to the above ineligibility provision, including “crowd out” provisions intended to prevent employers from dropping coverage for their employees in an attempt to push them into the Rx Plus Program;
- (9) Requiring drug manufacturers and labelers that sell prescription drugs in the State through any publicly-supported pharmaceutical assistance program to enter into rebate agreements;
- (10) Requiring the Rx Plus program administrator to use the administrator’s best efforts to obtain rebate amounts as favorable as rebates calculated under the Medicaid program and rebates provided to the federal government;
- (11) Establishing a Medicaid Advisory Committee to recommend drugs for the program’s preferred drug and prior authorizations lists;

- (12) Requiring that DHS take into account differential dispensing fees when establishing drug discounts, and in lieu of utilizing a rebate average formula, consider the recommendation of the Medicaid Advisory Committee; and
- (13) Establishing new definitions and making other conforming amendments.

Your Committees find that the facts present a compelling and persuasive case in support of this measure. According to an AARP report *Lowering the Cost of Prescription Drugs in Hawaii: A 2003 Survey of Residents Age 18*:

- (1) Six in ten people in Hawaii report having taken prescription medication in the last twelve months, and of the above, three-quarters take medication on a regular basis;
- (2) Of respondents taking medication on a regular basis, more than three-quarters take one to three prescription drugs per day and slightly more than ten per cent take four to five prescription drugs per day; and
- (3) One-third of those who take medication regularly either delay filling their prescriptions or go without other basic necessities in order to afford their medication.

While these statistics are compelling enough, your Committees also heard first-hand from Hawaii residents who, on a daily basis, are forced to make a Hobson's choice between buying medicine and putting food on the table, or buying drugs to control high blood pressure and high cholesterol and purchasing a bus pass to travel to work. It is your Committees' intent, through this measure, to enable Hawaii's people to afford prescription drugs, so that making these difficult and potentially life-threatening choices is no longer necessary.

The lack of viable alternatives for those needing relief from high drug prices compels the Legislature to act immediately. While the Governor's efforts to provide prescription drugs to the most destitute are laudable, the Administration's Prescription Care Hawaii program is a temporary solution that reaches only a fraction of the persons who stand to benefit from the proposed Rx Plus Program. Further, the recently-enacted Medicare reform law suffers from gaps in coverage. This measure is intended to provide affordable prescription drugs to as many uncovered persons as possible, within legal limitations.

Upon careful consideration of the testimony, your Committees have amended this measure by:

- (1) Deleting provisions that:
 - (a) Establish a Medicaid Advisory Committee and require the committee to recommend drugs covered by a rebate agreement;
 - (b) Require participating pharmacists to substitute preferred list drugs for prescribed drugs, subject to exceptions;
 - (c) Define "covered drug" and "medicaid advisory committee";
 - (d) Exclude from eligibility qualified residents who, three months prior to application, were insured under an employer-sponsored health plan for which the employer paid at least half the cost, and provide for exceptions to disqualification, including for qualified residents who have no coverage due to being "crowded out" of employer-sponsored health plans;
 - (e) Require the establishment of prior authorization requirements in the QUEST program to encourage manufacturer participation; and
 - (f) Require, rather than authorize drug manufacturers and labelers to enter into rebate agreements;
- (2) Adding provisions that:
 - (a) Require DHS to establish a Rx Plus preferred drug list;
 - (b) Define "pharmacy and therapeutic committee" and "preferred drug", the latter which includes but is not limited to drugs listed on the State's Medicaid preferred drug list, antipsychotic drugs, antidepressant drugs, chemotherapy drugs, antiretroviral drugs, immunosuppressive drugs, and other drugs selected pursuant to program requirements;
 - (c) Establish the Pharmacy and Therapeutic Committee in place of the Medicaid Advisory Committee to review and recommend drugs for the Rx Plus preferred drug list;
 - (d) Prohibit a rebate contract administrator from receiving any compensation or other benefits from a drug manufacturer;
 - (e) Prohibit the imposition of transaction fees by DHS upon participating pharmacies for claims or payment transactions; and
 - (f) Clarify that moneys in the Rx Plus Special Fund may be used to pay for contracted services;
- (3) Clarifying the definition of "qualified resident" to include a resident who lacks prescription drug coverage or has exceeded coverage benefits, and to delete a "hardship exemption" that allows a resident to qualify based on a certain amount of unreimbursed drug or medical expenses;

- (4) Delaying from January 1, 2005, to July 1, 2005, the date upon which participating pharmacies must offer the secondary discounted price of a drug to program participants; and
- (5) Making numerous technical, nonsubstantive amendments to eliminate redundancy and for purposes of clarity, consistency, and style.

Your Committees conclude that, as amended, this measure establishes an improved, more effective discounted drug prescription program over the original program and is intended to generate larger, better-defined, and more immediate savings for a significant segment of Hawaii's consumers.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3237, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Kim, Kokubun, Sakamoto, Whalen).

SCRep. 2515 (Joint) Science, Arts, and Technology and Tourism on S.B. No. 2139

The purpose of this measure is to establish the Hawaiian Music and Dance Committee to conduct a comprehensive assessment regarding the feasibility of a Museum of Hawaiian Music and Dance.

Testimony in support of the measure was received by the Department of Accounting and General Services (supports intent, but has concerns regarding funding and attachment to the department), the State Foundation on Culture and the Arts, the Office of Hawaiian Affairs (supports intent but has concerns regarding the funding, establishment, and implementation of the Museum), the Hawaii Tourism Authority, the Waikiki Improvement Association, Bishop Museum (supports intent), the Oahu Visitors Bureau, and one individual. The Office of Information Practices submitted comments on the measure. Testifying in opposition to the measure was the Hawaii Consortium for the Arts.

Your Committees find that this measure reaffirms the State's obligation to preserve and protect the culture and history of Native Hawaiians. This measure lays the groundwork for the eventual creation of a Museum of Hawaiian Music and Dance by utilizing the expertise and knowledge of various government and civil leaders in ensuring that this future museum is not only respectful of Native Hawaiian culture and history, but is also well-planned and coordinated.

Your Committees have amended the measure by creating a Hawaiian Music and Dance Committee to conduct a comprehensive assessment regarding the feasibility of a Museum of Hawaiian Music and Dance. This Committee is comprised of influential and knowledgeable civic leaders that have the expertise necessary to lay a solid foundation for a future Museum of Hawaiian Music and Dance.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2139, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (English, Fukunaga, Taniguchi, Tsutsui).

SCRep. 2516 Judiciary and Hawaiian Affairs on S.B. No. 183

The purpose of this measure is to amend the law relating to elections.

Your Committee has amended this measure by replacing its contents with language that allows the Campaign Spending Commission and the Office of Elections to communicate directly with the Legislature and the Governor, make personnel decisions, and purchase equipment without the approval of their department head. Your Committee finds that the nature of these agencies requires this degree of autonomy.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 183, S.D. 1, and be recommitted to the Committee on Judiciary and Hawaiian Affairs, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2517 Judiciary and Hawaiian Affairs on S.B. No. 203

The purpose of this measure is to amend the law relating to the Judiciary.

Your Committee has amended this measure by replacing its contents with language that attaches the Office of Elections, the Campaign Spending Commission, and the Elections Appointment and Review Panel to the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 203, S.D. 1, and be recommitted to the Committee on Judiciary and Hawaiian Affairs, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 2518 (Joint/Majority) Judiciary and Hawaiian Affairs and Ways and Means on S.B. No. 2994

The purpose of this measure is to amend the law relating to the use tax.

Your Committees have amended this measure by replacing its contents with language that:

- (1) Clarifies when a seller is subject to the 0.5 per cent use tax;
- (2) Restores the imposition of taxes on goods purchased both within and outside the State; and
- (3) Clarifies that the use tax applies to sellers who acquire goods from outside the State and import the product for resale in the State,

in light of the recent Supreme Court decision of Baker & Taylor, Inc. v. Kawafuchi and prior administrative rule.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2994, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2994, S.D. 1, and be recommitted to the Committees on Judiciary and Hawaiian Affairs and Ways and Means, for further consideration.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, 1 (Slom). Excused, 8 (Aduja, Espero, Fukunaga, Ihara, Kanno, Kim, Sakamoto, Hemmings).

SCRep. 2519 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 2074

The purpose of this measure is to amend the campaign spending laws.

Specifically, this measure:

- (1) Prohibits corporations, labor organizations, and banks from making campaign contributions directly from corporate, labor organization, or bank treasuries;
- (2) Requires the establishment of separate segregated funds through which employees can make contributions;
- (3) Allows the Campaign Spending Commission to communicate directly with the Governor and Legislature and make all employment decisions for its staff; and
- (4) Provides that intentional and knowing violations of the campaign spending law shall be a class C felony.

Testimony in support of this measure was submitted by the Campaign Spending Commission, Hawaii Clean Elections, League of Women Voters of Hawaii, and five individuals.

Your Committee finds that there is a need to prohibit corporations, labor organizations, and banks from making campaign contributions, and there is a need for establishing segregated funds for employee contributions and harsher penalties for intentional and knowing violations of the campaign laws. Your Committee further finds that clarification of current laws is needed to ensure the independence of the Campaign Spending Commission, and this measure addresses all of your Committee findings.

Your Committee has amended this measure to include language to provide:

- (1) An open line of communication between both the Campaign Spending Commission and the Governor or Legislature; and
- (2) That the Campaign Spending Commission has the autonomy to make its own personnel decisions without the approval of the head of the department.

Your Committee further amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2074, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2074, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, 1 (Kawamoto). Excused, none.

SCRep. 2520 Judiciary and Hawaiian Affairs on S.B. No. 2372

The purpose of this measure is to clarify the executive security officer services to elected officials and their immediate family members.

Testimony in opposition to this measure was submitted by the Office of the Lieutenant Governor, Department of the Attorney General, and Department of Public Safety. Specifically, opposition to this measure was to the provision that the protection services not include the Governor's or Lieutenant Governor's immediate family.

Your Committee also questioned the Department of Public Safety regarding details of the current services provided. However, the Department of Public Safety did not answer these questions because of security concerns. Specifically, the Department of Public Safety did not want to disclose any sensitive information in a public hearing. Rather, the Department of Public Safety suggested answering security-sensitive questions in an executive session closed to the public.

Your Committee finds that the current executive security protection provisions need to be better clarified. Specifically, your Committee finds that there are situations where security protection is necessary for elected officials, as well as the Governor's, the Lieutenant Governor's, or an elected official's immediate family members (family members). Your Committee further finds that the Director of Public Safety is the appropriate official to determine that an elected official or a family member is in imminent danger or threatened with imminent danger, and authorize security measures. Your Committee believes that this measure should be amended to clarify executive security services to elected officials and their immediate family members.

Your Committee worked together with the Department of Public Safety and Department of the Attorney General to amend this measure by providing security protection to elected officials and immediate family members of the Governor, Lieutenant Governor, and elected officials that the Director of Public Safety deems in need of protection from imminent danger or threats of imminent danger.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2372, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Kawamoto).

SCRep. 2521 Judiciary and Hawaiian Affairs on S.B. No. 2444

The purpose of this measure is to improve the availability of arbitration and mediation as a means of resolving disputes arising out of wills or trusts between beneficiaries, trustee, or representatives.

Testimony in support of this measure was submitted by the Attorney General, the Judiciary, Dispute Resolution Services, the Mediation Center of the Pacific, the Keystone Center, two attorneys, and three individuals.

Your Committee finds that there are no requirements that disputes arising out of wills or trusts between interested parties be arbitrated or mediated. However, your Committee believes that arbitration and mediation provisions in the uniform probate code are necessary, and this measure will address these needed changes.

Your Committee has amended this measure by requiring the use of mediation rules for probate, trust, and guardianship only if there are such rules. Your Committee also amended this measure by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2444, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2522 Judiciary and Hawaiian Affairs on S.B. No. 2827

The purpose of this measure is to require the Senate, House of Representatives, and Office of Hawaiian Affairs candidates to file all reports electronically.

Testimony in support of this measure was submitted by the Department of Accounting and General Services, Campaign Spending Commission, Hawaii Clean Elections, and the League of Women Voters.

Your Committee finds that there is a need to improve public access to campaign spending information for legislative and Office of Hawaiian Affairs candidates. Your Committee further finds that there may be candidates that do not have access to a computer or the Internet and may require a waiver from electronic filing requirements. Your Committee believes that this measure will address all of these findings.

Your Committee adopted the amendment suggested by the Campaign Spending Commission to change the effective date of this measure to January 1, 2006. Your Committee also amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2827, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2523 Judiciary and Hawaiian Affairs on S.B. No. 3144

The purpose of this measure is to outline procedures, conditions, and limitations for the admission of attorneys from other states and territories of the United States or the District of Columbia to practice law in Hawaii.

Testimony in support of this measure was submitted by Hawaii Reserves, Inc., and two individuals.

Your Committee finds that procedures, conditions, and limitations for admitting attorneys from other states and territories and the District of Columbia to practice in Hawaii should be established. Your Committee finds that sufficient protections will remain in place to ensure the admission of qualified attorneys.

Your Committee has amended this measure to insert a time requirement that attorneys must practice and be in good standing for five of the last seven years. Your Committee also amended this measure to make technical, non-substantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3144, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2524 (Joint) Judiciary and Hawaiian Affairs and Health on S.B. No. 3233

The purpose of this bill is to provide comprehensive legislation to address the devastating effects of crystal methamphetamine (commonly known as ice) abuse in Hawaii.

Specifically, this bill:

- (1) Creates three new drug-related offenses designed to:
 - (a) Increase mandatory minimum sentences and impose large penalties for methamphetamine trafficking;
 - (b) Make distribution of methamphetamine to a minor or person known to be pregnant a class A felony;
 - (c) Enhance prison sentences for persons who manufacture drugs in the presence of a child and cause injury to a child; and
 - (d) Create a new offense of promoting controlled substances through the use of a minor;
- (2) Amends the drug paraphernalia laws to conform to the federal law by making the sale of drug paraphernalia illegal and using the federal standard in determining when an object is drug paraphernalia;
- (3) Amends the offenses of promoting a dangerous drug in the first, second, and third degree to eliminate the manufacturing and distribution of methamphetamine elements which are incorporated in the new offense of methamphetamine trafficking. The mandatory minimum sentences for methamphetamine are deleted because of the creation of the new offense;
- (4) Amends the offense of promoting a controlled substance near schools, parks, or school vehicles to make manufacturing methamphetamine within 750 feet of a school or public park illegal;
- (5) Amends the provisions of Act 161 (2002 Session Laws of Hawaii) relating to diversion to substance abuse treatment for first-time nonviolent offenders. The bill clarifies the criteria used by the court or Hawaii paroling authority to determine whether to revoke parole or probation for a first drug offense violation of parole or probation, and allows the court discretion to sentence a first-time drug offender to probation for substance abuse treatment even if the person is a repeat offender;
- (6) Permits the state courts to issue arrest and search warrants based on federal affidavits and arrest and search warrants;
- (7) Reenacts the Drug Dealer Liability Act that was repealed in 2003 and makes amendments to clarify the language;
- (8) Requires employers with more than 15 employees to offer three hours of substance abuse prevention education for their employees; imposes civil fines of between \$100 to \$1,000 for each violation; and imposes additional fines and imprisonment for employers who intentionally interfere with the enforcement of the law by the Director of the Department of Labor and Industrial Relations;

- (9) Requires private sector employers with 50 or more employees who are not subject to collective bargaining to reimburse certain classes of terminated employees for health insurance premiums paid in order for the employee to receive substance abuse treatment;
- (10) Requires the public schools to defer the suspension of a student charged with drug offenses during the time that the student is referred and assessed for substance abuse and is in treatment. If the student successfully completes treatment, the disciplinary action is expunged;
- (11) Expands health insurance benefits for abuse of or dependency on crystal methamphetamine to the level of coverage for physical disease or illness. This parity benefit applies to health insurance plans and Quest or fee-for-service programs administered by the Department of Health; the provision is repealed in six years;
- (12) Designates the Office of Community Services to coordinate community drug abatement efforts and interface with county, state, and community agencies. Repeals this provision in five years;
- (13) Establishes a new civil commitment procedure that may be used by family members to obtain a court order to commit a family member to outpatient substance abuse treatment;
- (14) Amends the zoning laws relating to residential areas to permit drug rehabilitation homes to accommodate no more than ten unrelated persons when the homes are operated by a community-based nonprofit agency approved by the Department of Health, provided that a public informational hearing is held;
- (15) Requires the Housing and Community Development Corporation of Hawaii to explore incentive programs and surplus properties to develop clean and sober homes; and
- (16) Expands the Department of Health's ability to examine nuisances caused by clandestine methamphetamine laboratories.

While all testifiers supported the intent of this measure and appreciated the efforts of the Task Force, many offered comments, or concerns, or opposed portions of this bill. ILWU Local 142; the Office of the Prosecuting Attorney for the County of Kauai; the Department of Education; the Mayor for the County of Kauai, Alu Like, Inc.; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Coalition for a Drug Free Hawaii, and one concerned individual testified in support of this bill. The Hawaii Youth Services Network and one concerned individual supported specific sections of this measure. Small Business Hawaii; Retail Merchants of Hawaii; the Departments of the Prosecuting Attorney for the City and County of Honolulu and the counties of Maui and Hawaii; the High Intensity Drug Trafficking Area Task Force; Hawaii Paroling Authority; Department of the Attorney General; Office of the Lieutenant Governor; Department of Human Services Housing and Community Development Corporation of Hawaii; Maui County Police Department; Honolulu Police Department; Polynesian Cultural Center; Brigham Young University-Hawaii; Oils of Aloha; Chamber of Commerce of Hawaii; Society for Human Resource Management-Hawaii Chapter; National Federation of Independent Business; JS Services, Inc.; and two concerned individuals opposed portions of this bill. The Judiciary; Office of the Public Defender; Office of Community Services; Drug Policy Action Group; Out of Prison Services; Hawaii Medical Service Association; Hawaii Substance Abuse Coalition; Community Alliance on Prisons; Harm Reduction Hawaii; the Departments of Labor and Industrial Relations, Commerce and Consumer Affairs, Public Safety, and Health; Hawaii Reserves, Inc.; and eight concerned individuals provided comments.

Your Committees find that this comprehensive legislation is a significant step toward addressing the complex and myriad problems created by the ice epidemic in Hawaii. This legislation incorporates the recommendations of the Joint House-Senate Task Force on Ice and Drug Abatement (Task Force), which are based on findings stated in the Task Force's Final Report, dated January 2004. The Task Force went into the community and spent nearly 80 hours collecting information from over 400 persons who spoke to the Task Force members. Testimony received on this bill echo the sentiments expressed during the Task Force hearings by the community, treatment providers, law enforcement, family members, and victims of the ice epidemic. Everyone demands a solution to stop the spread of ice abuse and the effects on our communities. However, testifiers differ as to whether the priority should be placed on treatment and prevention or incarceration.

Your Committees find that this bill, as received, only partially addresses the community's feeling of frustration that law enforcement is not responding promptly to stop the drug activities in their neighborhoods. Citizens believe that their complaints are often ignored; they are not kept informed about drug interdiction efforts in their neighborhoods and have the perception that police are not responsive; and they feel harassed by drug dealers when they attempt self-help activities. Accordingly, your Committees find that additional resources are needed to encourage citizens to take lawful action against drug activities as well as to protect them from harassment from drug dealers. Your Committees have amended this bill to include a new part relating to citizen empowerment, as described below.

Your Committees conclude that the legislation proposed in this bill strikes a balance between the need to "get tough" with drug dealers and traffickers to protect the public, and the community's needs to address the social causes and public health issues relating to ice abuse. Your Committees agree with the Task Force's conclusion that the solution to the ice epidemic is to provide treatment to the current generation of ice abusers and prevent future generations from becoming abusers.

Your Committees have amended this bill by:

- (1) Deleting sections 13, 14, and 15, which provided for federal search or arrest warrants and federal affidavits to serve as the bases for state search or arrest warrants;

- (2) Deleting section 19 relating to employer reimbursement for health insurance premiums to a terminated employee when the employee obtains substance abuse treatment;
- (3) Deleting sections 25 and 26, which designated the Office of Community Services as coordinator for state, county, and community drug abatement efforts;
- (4) Deleting sections 31 and 32, requiring the Housing and Community Development Corporation of Hawaii to explore incentive programs and surplus properties to develop clean and sober homes;
- (5) Amending the new offense of manufacturing a controlled substance with a child present to clarify that the enhanced sentence runs consecutively with the maximum indeterminate sentence that may be imposed on the underlying offense; and to include "serious" injury as a basis for enhanced penalties;
- (6) Amending the new offense of unlawful methamphetamine trafficking to:
 - (a) Add a new element to the offense for possession of methamphetamine with intent to manufacture, distribute, or dispense the drug;
 - (b) Make the offense a class A felony when more than one-eighth ounce of methamphetamine is involved; set the basic mandatory minimum prison sentence at five years; enhance the mandatory minimum prison sentence to ten years when death or serious or substantial bodily injury occurs; and enhance the mandatory minimum prison sentence to fifteen years when the offender has been convicted of a prior drug felony;
 - (c) Make the offense a class B felony when less than one-eighth ounce of methamphetamine is involved; set the basic mandatory minimum prison sentence at three years; enhance the mandatory minimum prison sentence to five years when death or serious or substantial injury occurs; and enhance the mandatory minimum prison sentence to eight years when the offender has been convicted of a prior drug felony;
 - (d) Delete the enhanced penalty for distribution to a person known to be pregnant;
 - (e) Add a mandatory minimum prison sentence for distribution of methamphetamine to a minor;
 - (f) Clarify that death or serious or substantial bodily injury from the manufacture, distribution or dispensing of methamphetamine must be to a person other than the offender;
 - (g) Specify that other statutes relating to sentencing do not apply to the offense of methamphetamine trafficking; and
 - (h) Clarify that the court may order restitution or reimbursement for persons injured or damaged by methamphetamine trafficking;
- (7) Deleting from the offense of promoting a dangerous drug in the first degree the enhanced penalty for distribution to a person known to be pregnant;
- (8) Specifying that for the offense of promoting a controlled substance in or near schools, public parks, or school vehicles, the manufacture of methamphetamine within 750 feet of a school or park is a class A felony subject to the same mandatory minimum prison sentences as methamphetamine trafficking; expanding the definition of schools to include preschools, kindergarten, and middle schools;
- (9) Amending the requirement of referring a parole violator to substance abuse treatment to allow the Hawaii Paroling Authority to exercise its discretion;
- (10) Amending the requirement of referring a probation violator to substance abuse treatment to permit the court to exercise its discretion;
- (11) Amending the balancing test that the court may use to determine whether a first-time nonviolent drug offender should be referred to substance abuse treatment to consideration of whether the offender can benefit from treatment or should be incarcerated to protect the public;
- (12) Modifying the expungement provision that permits a first-time nonviolent drug offender to have the conviction expunged on a one-time-only basis upon successful completion of substance abuse treatment;
- (13) Modifying the employer substance abuse prevention education requirement to one hour of training; permitting the employer to excuse employee attendance for good cause; permitting the Director of the Department of Labor and Industrial Relations to enact rules that limit the penalty for violations of this law to an amount not to exceed \$500; and deleting the criminal sanctions;
- (14) Modifying the zero tolerance policy applicable to public school students charged with drug offenses to permit the school to:
 - (a) Crisis-suspend a student for up to 10 days, provided that student is referred and assessed for substance abuse during that time; and

- (b) Transfer the student to an alternative learning center pending the availability of treatment;
- (15) Expanding parity for substance abuse treatment in health plans and for programs offered under QUEST, except that residential treatment is covered in the same way as for any physical disease or illness;
- (16) Modifying the civil commitment process for involuntary outpatient treatment to require the court to proceed only with the respondent present, and clarifying the criteria upon which the court may grant the petition;
- (17) Adding a new part to the bill entitled "Citizen Empowerment" to amend the nuisance abatement laws to allow citizens to recover attorneys, fees and to receive the same protection as crime victims do;
- (18) Designating the Department of Public Safety to coordinate community mobilization efforts and facilitate community concerns regarding effective law enforcement in their neighborhoods; and
- (19) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3233, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Tsutsui).

SCRep. 2525 (Majority) Ways and Means on S.B. No. 1491

The purpose of this measure is to remove the limit on the total amount of interest that may be charged to state agencies that fail to pay their debts on time.

Your Committee has deleted the contents of the measure and inserted in its place provisions that:

- (1) Authorize the transfer of excess revenues contained in various special funds, revolving funds, and special accounts to the credit of the general fund;
- (2) Reduce the balance ceiling for the Environmental Health Education Special Fund from \$300,000 to \$150,000; and
- (3) Repeal the Governor's and the various executive departments' authority to transfer excess balances from special funds to the general fund.

Your Committee finds that the amended measure will assist the State in bolstering the cash position of the general fund so that it may meet the needs of the state budget. The amended measure will also assist the State in exercising more fiscal accountability by repealing the authority of the Governor and executive departments to transfer special funds to the general fund at any time.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1491, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1491, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, 4 (Kim, Hemmings, Slom, Trimble). Excused, 4 (Aduja, Kanno, Kawamoto, Sakamoto).

SCRep. 2526 Ways and Means on S.B. No. 3194

The purpose of this measure is to appropriate \$400,000 to implement the Rx prescription drug program.

The Rx program was established in 2002 to provide prescription drugs at lower cost to all Hawaii residents. The program is intended to use the combined purchasing power of all Hawaii's consumers to obtain prescription drugs at reduced rates. The Rx program is not yet operational, but is anticipated to be implemented beginning July 1, 2004.

Your Committee finds that the Rx prescription drug program will increase access to and affordability of prescription drugs in Hawaii. People in Hawaii and across the nation often are unable to afford the high cost of medically necessary prescription drugs. This bill appropriates funds to implement the Rx program, which will provide a measure of relief for consumers.

Upon further consideration, your Committee has amended this bill to:

- (1) Appropriate general revenues to implement the Rx program to be paid into the Rx special fund established in section 346-318, Hawaii Revised Statutes;
- (2) Appropriate the same amount of money out of the Rx special fund for the purposes of the special fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3194, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3194, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2527 (Majority) Ways and Means on S.B. No. 2153

The purpose of this measure is to require the University of Hawaii to repay funds it received from the Hawaii Tobacco Settlement Special Fund.

Your Committee has amended this measure by deleting its contents and replacing it with language from S.B. Nos. 2150, 2154, and 3235.

Your Committee finds that it is necessary to develop sources of revenue to combat the plague of crystal methamphetamine use that afflicts Hawaii. Your Committee believes that the tax on tobacco, a gateway to drug use, is an appropriate and effective way to raise funds for treatment and prevention programs. In order to ensure that these funds are wisely spent, substance abuse prevention programs should be evidence-based and meet rigorous testing standards in laboratory, clinical, and community settings. To reach the widest possible audience, treatment programs must be open to patients with children and offer family counseling.

As amended, the purpose of this measure is to improve the State's ability to stem the tide of drug use by developing and funding effective drug prevention and treatment programs that assist families, not just individuals. More specifically, the measure:

- (1) Allocates the one-half-cent increase in the tobacco tax that takes effect on July 1, 2004, and an additional one-half-cent increase in the tobacco tax, to prevention and treatment programs and services for crystal methamphetamine;
- (2) Appropriates funds to the Alcohol and Drug Abuse Division of the Department of Health to ensure that parents with children under the age of nineteen are allowed the option to participate in residential substance abuse treatment and therapeutic living homes; and
- (3) Appropriates funds to the Department of Health to fund evidence-based substance abuse prevention programs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2153, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2153, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 2 (Slom, Trimble). Excused, 4 (Aduja, Kanno, Kawamoto, Sakamoto).

SCRep. 2528 (Majority) Ways and Means on S.B. No. 3068

The purpose of this measure is to appropriate unspecified amounts, including grants-in-aid, for health and human services to be expended by the Departments of Health and Human Services.

Upon further consideration, your Committee has amended this bill by:

- (1) Retaining section 1 containing language justifying making appropriations from the emergency budget and reserve fund;
- (2) Deleting the remainder of the bill;
- (3) Restoring all the appropriations made in the original draft of S.B. No. 3068, except where an appropriation duplicates the additional appropriations inserted under paragraph (4) below and except that the appropriation for the operations and programs of the Waianae Coast Comprehensive Health and Hospital Board, Inc., is changed from \$750,000 to \$100,000; and
- (4) Inserting the substance of the following measures, provided that all the appropriations are made from the emergency budget and reserve fund:
 - (A) S.B. No. 2158 (2004), appropriating \$200,000 as a purchase of service under chapter 103F, Hawaii Revised Statutes, to enable the Department of Health to operate a hospital-based poison center twenty-four hours a day;
 - (B) S.B. No. 2328 (2004), appropriating \$50,000 as a subsidy pursuant to chapter 42F, Hawaii Revised Statutes, for dental services at Kauai community health center;
 - (C) S.B. No. 2465, S.D.1 (2004), appropriating:
 - (i) \$500,000 pursuant to Department of Education funding in Act 200, Session Laws of Hawaii 2003, for mental/behavioral health services for Hana high and elementary school;
 - (ii) \$ as a subsidy, pursuant to chapter 42F, Hawaii Revised Statutes, to the Hana Community Health Center for operational expenses; and

- (iii) \$500,000 as a grant-in-aid, pursuant to chapter 42F, HRS, to the Hana Community Health Center for a capital improvement project for a nutrition training center;
- (D) S.B. No. 2471, S.D. 1 (2004), appropriating \$130,000 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Molokai General Hospital for Lamalama Ka `Ili Community Health Services programs and general operating costs;
- (E) S.B. No. 2473 (2004), appropriating \$1,000,000 as a subsidy pursuant to chapter 42F, Hawaii Revised Statutes, for the operating costs of Molokai General Hospital;
- (F) S.B. No. 2582 (2004), appropriating \$30,765 as a subsidy pursuant to chapter 42F, Hawaii Revised Statutes, for the donated dental services program in Hawaii;
- (G) S.B. No. 2604 (2004), appropriating \$900,000 (where the original appropriation was \$1,006,981) as a subsidy pursuant to chapter 42F, Hawaii Revised Statutes, for emergency services at the Waianae Coast Comprehensive Health Center; and
- (H) S.B. No. 2683, S.D. 1 (2004), appropriating an unspecified \$ amount as a subsidy pursuant to chapter 42F, Hawaii Revised Statutes, for Kauai Community Health Center.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3068, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3068, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2529 (Majority) Ways and Means on S.B. No. 3234

The purpose of this measure is to implement the suggestions of the joint house-senate task force (task force) on ice and drug abatement.

Your Committee finds that the use of crystal methamphetamine (ice) has reached epidemic proportions. Ice has ruined lives, destroyed families, and wreaked havoc in our society, resulting in increased criminal activity and creating a burden on public resources such as child welfare, health, and social services agencies.

Ice addiction is a public health problem that has reached crisis proportions. Ice is now the number one illegal substance for which publicly funded treatment for addiction is sought, surpassing programs for alcohol abuse. Between 1998 and 2002, admissions into treatment programs for ice were phenomenal, increasing by at least eighty per cent.

The Legislature finds that early intervention is the key to diverting young adults from drug use. The treatment gap between the number of adolescents who need treatment and who do not receive it is over 5,000, based on both state and federal estimates.

The Legislature has adopted the following task force recommendations to combat the ice epidemic:

- (1) Expanding school based treatment services to middle schools;
- (2) Prioritizing funds for: drug education and awareness in the schools and community partnerships, non-school youth activities in communities with the greatest need, education and support for families and parenting women, and community mobilization;
- (3) Prioritizing funds to ice abusers who are women of child bearing age, pregnant women, parents of young children in the home, and persons of Hawaiian ancestry;
- (4) Diverting ice abusers into treatment rather than prison to more effectively treat their needs and to reduce recidivism;
- (5) Funding treatment services for nonviolent first-time drug offenders to avoid imposing a greater burden on the State's prison system;
- (6) Expanding the canine drug interdiction program;
- (7) Expanding services provided by the drug courts, including family and juvenile drug courts;
- (8) Providing for an environmental study on the effects of clandestine methamphetamine laboratories;
- (9) Creating grant-in-aid opportunities for counties to fund grassroots community efforts with matching federal forfeiture funds;
- (10) Adding to the duties of the office of community services to include coordination of drug abatement efforts on a statewide basis;
- (11) Providing tax credits for the establishment of rehabilitation homes and for substance abuse prevention education and employment;

- (12) Establishing a substance abuse treatment monitoring program requiring state agencies to collect data and assess program effectiveness;
- (13) Creating a multi-agency task force to respond to the effects of ice on children; and
- (14) Making various appropriations to finance these objectives.

Upon further consideration, and to strengthen this measure, your Committee has amended the bill by:

- (1) Appropriating funds for the Adolescent Residential Treatment Facility to renovate two buildings in the Hanapepe area for the program;
- (2) Authorizing the issuance of general obligation bonds for a substance abuse facility to service the 3,037 inmates that were identified in 2003 as needing substance abuse treatment;
- (3) Appropriating funds to expand the Weed and Seed Program to prevent and control the proliferation of drug abuse in local neighborhoods;
- (4) Appropriating funds for non-school-hour programs to provide a safe environment for children, free from the influences, temptations, and dangers related to illegal drugs;
- (5) Appropriating funds for the Being Empowered and Safe Together Program on Maui to provide a supportive environment that assists former incarcerated individuals returning to the community to remain free from the influences, temptations, and dangers related to illegal drugs;
- (6) Appropriating funds to expand the KASHBOX substance abuse treatment program at the Waiawa correctional center and to establish offender transitional services centers;
- (7) Appropriating funds for the drug court programs in the second and third circuits; and
- (8) Clarifying the role of the Department of Health in administering the substance abuse treatment monitoring program under section 25 of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3234, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Trimble). Excused, 4 (Aduja, Kanno, Kawamoto, Sakamoto).

SCRep. 2530 Commerce Consumer Protection and Housing on S.B. No. 2892

The purpose of this measure is to provide statutory authority for the Real Estate Commission to enter into license recognition agreements with other states or jurisdictions with equivalent real estate licensing laws.

Testimony in support of this measure was received from the Hawaii Real Estate Commission and the Hawaii Association of Realtors.

Your Committee finds that this measure will benefit Hawaii real estate licensees as it will allow for increased recognition of their Hawaii real estate license in other states as well as make it easier for Hawaii real estate licensees to conduct real estate related transactions in other states. This measure also protects Hawaii consumers by enabling Hawaii's Real Estate Commission to regulate a greater number of out-of-state real estate licensees.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2892 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2531 Commerce Consumer Protection and Housing on S.B. No. 2893

The purpose of this measure is to clarify that an application for a professional or vocational license is deemed abandoned when an applicant fails to provide evidence of continued efforts to complete the licensing process for two years.

This measure also requires an applicant to reapply for licensure and comply with all applicable licensing requirements in order to obtain a professional or vocational license after an application is deemed abandoned.

The Department of Commerce and Consumer Affairs (DCCA) submitted testimony in support of this measure.

Your Committee finds that under the current law DCCA retains the authority to deem an application to be abandoned. Your Committee further finds that some applicants make no attempts to cure deficiencies in their applications during the two-year period; however, applicants have successfully challenged such determinations of abandonment because the law does not explicitly require applicants to attempt to cure deficiencies in their applications. Your Committee determines that clarification as to the time limit for completing the licensing process, the requirements for curing a deficient application, and the procedure for reapplication after abandonment has been determined is necessary to better regulate professional and vocational licensure. Such clarification will eliminate any future confusion by providing a reasonable and definite time period within which an application must be completed and guidelines for determining what constitutes a failure of continued efforts to complete the licensing process.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2893 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2532 Commerce Consumer Protection and Housing on S.B. No. 2898

The purpose of this measure is to allow a forfeited beauty operator or instructor license to be restored beyond three years after the lapse at the discretion of the Board of Barbering and Cosmetology (Board).

Comments on this measure were submitted by the Board.

Your Committee finds that the Board regulates and oversees both the barbering and cosmetology professions. Your Committee further finds that an inconsistency currently exists between the regulation of these professions, in that the restoration of a beauty operator's or instructor's license may only be granted within three years after the license's lapse, whereas a barber's license may be restored beyond the three-year period. As a result, a number of beauty operators and instructors have lost their licenses, thereby diminishing the public's choices for obtaining beauty services within the State.

Your Committee determines that parity should exist in the regulation of the barbering and cosmetology professions in order to provide equal opportunities to qualified individuals to remain licensed professionals in their respective fields. Such parity will provide for the restoration of a beauty operator's or instructor's license beyond the three-year period, as well as give the Board the discretion to grant restoration based upon relevant criteria of its own determination.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2898 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2533 Commerce Consumer Protection and Housing on S.B. No. 2901

The purpose of this measure is to conform training requirements for licensure of elevator mechanics to federal and state apprenticeship standards.

Testimony in favor of the measure was submitted by the Board of Elevator Mechanics and International Union of Elevator Constructors.

Your Committee finds that the Federal Bureau of Apprenticeship and Training (BAT) sets national guideline standards of apprenticeship training in various industries including elevator mechanics. The local elevator mechanics apprenticeship program received approval from BAT as well as the Department of Labor and Industrial Relations in March 2003. This measure will improve consumer protection with the additional requirements set by BAT and align training requirements for licensure of elevator mechanics with federal and state standards.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2901 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2534 Commerce Consumer Protection and Housing on S.B. No. 3204

The purpose of this measure is to disallow activity desks the option of posting a bond or obtaining an irrevocable letter of credit in lieu of maintaining a client trust account.

Volcano Maui Air Tours, Atlantis Adventures, Ocean Tourism Coalition, Activities and Attractions Association of Hawaii, Safari Aviation, Inc., and SeaSport Cruises, Inc., testified in support of this measure. The Department of Commerce and Consumer Affairs opposed the measure.

Current law requires activity desks to maintain consumer funds in a client trust account, or alternatively, to post a performance bond or obtain an irrevocable letter of credit. This measure eliminates the option of obtaining a bond or irrevocable letter of credit, and requires all activity desks to maintain a client trust account or be subject to license forfeiture.

Your Committee finds that consumer funds are not adequately protected by a bond or irrevocable letter of credit, particularly when coverage thereunder is statutorily capped at \$100,000. When substantial sums of consumer funds are at risk, as in the case of the \$3,000,000 in activity provider funds held by American Hawaii Cruises when it claimed bankruptcy, a bond or letter of credit worth, at the most, \$100,000, offers little consumer protection. This measure will help to ensure that moneys paid by consumers are segregated from other funds and maintained for the benefit of consumers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3204 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

SCRep. 2535 Commerce Consumer Protection and Housing on S.B. No. 2260

The purpose of this measure is to adopt the latest version of the Model Standard Nonforfeiture Law for Individual Deferred Annuities (Model Act).

Testimony in support of this measure was received from the State Insurance Commissioner, American Council of Life Insurers, and Association of Insurance and Financial Advisors.

The Model Act was adopted by the National Association of Insurance Commissioners. Your Committee finds that volatility within the current economic environment has produced dramatically low interest rates. Most state laws are based on an earlier version of the Model Act, which mandates a 1.5 per cent minimum interest rate guarantee to determine the cash value of individual fixed annuity contracts. The Model Act was updated in 2003 to phase out the static 1.5 per cent nonforfeiture rate and replace it with a more dynamic index rate. According to testimony of the Insurance Commissioner, as of December 23, 2003, thirty states including Hawaii follow the 1.5 per cent rate, but at least nine states have adopted the most recent indexed rate as contained in this measure.

Your Committee further finds that whether and when rates will increase is uncertain. Without an adjustment to the minimum guaranteed rate, life insurers would be forced to offer contract rates in excess of what they can earn on their short term investments. This discrepancy would create a market imbalance and potential solvency problems for companies, and Hawaii consumers could lose access to an important retirement savings tool.

Your Committee has amended this measure on the recommendation of the Insurance Commissioner by clarifying the effective date for section 1 of the measure by deleting reference to a reenactment.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2260, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2536 Transportation, Military Affairs, and Government Operations on S.B. No. 2498

The purpose of this short form measure is to amend the law relating to government.

Your Committee has amended this measure by replacing its contents with language that allows the Metropolitan Planning Organization and the Executive Office on Aging to communicate directly with the Legislature and the Governor, make personnel decisions, and purchase equipment without the approval of the department head.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2498, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2498, S.D. 1, and be recommitted to the Committee on Transportation, Military Affairs, and Government Operations, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Whalen).

SCRep. 2537 (Majority) Ways and Means on S.B. No. 3238

The purpose of this measure is to:

- (1) Implement education reform and decentralization measures; and
- (2) Appropriate necessary funding.

Your committee has amended this measure by adding the substance of S.B. No. 2055, S.D. 1; S.B. No. 2057; S.B. No. 2059, S.D. 1; S.B. No. 2062; S.B. No. 2069, S.D. 1; S.B. No. 2111; S.B. No. 2172; S.B. No. 2318, S.D. 1; S.B. No. 2755; S.B. No. 2757; S.B. No. 3205, S.D. 1, and S.B. 2070, S.D. 1, as parts VII through XVIII respectively, to:

- (1) Provide that the salary schedules of principals and vice-principals and of all other educational officers shall be based on a twelve-month term of service; provide retention bonuses for principals and vice-principals; and make an appropriation for the additional two months' salary for high school principals (SB2055 SD1);
- (2) Make an appropriation of \$1,400,000 for additional faculty positions at the University of Hawaii's College of Education (SB2057);
- (3) Establish academic achievement, safety and well-being, and civic responsibility as the agreed upon goals for Hawaii's public education accountability; and define civic responsibility (SB2059 SD1);
- (4) Make an appropriation to provide for one full time educational officer and one full time clerk in the Professional Development and Educational Research Institute (SB2062);
- (5) Support and recognize outstanding teaching by providing the Hawaii teacher standards board with continued funding for implementing and administering a program of support for national board certification candidates in the public schools (SB2069 SD1);
- (6) Improve student achievement by continuing to support and fund parent-community networking centers, which create important partnerships among the home, school, and community (SB2111);
- (7) Provide funding for full time student activities coordinators in all public high schools (SB2172);
- (8) Provide instructional support that is adequate to ensure superior performance in any assessment instruments by funding one permanent half-time teacher's aide for each public school third grade classroom (SB2318 SD1);
- (9) Support statewide after-school care programs for public school students in kindergarten through grade six by establishing a revolving fund for the collection and disbursement of moneys to pay for the administration and operations of the after-school plus program (SB2755);
- (10) Allow the Department of Education and Board of Education to address increasingly complex legal issues in a timely manner by retaining their own attorneys without approval by the Attorney General (SB2757);
- (11) Improve student learning by providing funding to reduce the ratio of students to teachers in kindergarten to grade three to not more than twenty-five students to one teacher (SB3205 SD1); and
- (12) Build and support the teaching profession by providing funding to convert two existing Hawaii Teacher Standards Boards positions to permanent positions (SB2070 SD1).

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3238, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3238, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2538 Commerce Consumer Protection and Housing on S.B. No. 2009

The purpose of this measure is to clarify that the owner approval requirement to change the use of or to lease a condominium's common elements does not apply to the installation of telecommunications equipment.

T-Mobile USA, Inc. and the Community Associations Institute - Hawaii Chapter testified in support of this measure.

Generally, the condominium property regimes law requires that the owners of seventy-five per cent of a condominium's common interests must approve a condominium board's decision to (1) change the use of a condominium's common elements; or (2) lease common elements not actually used by any owner for an originally intended special purpose, if the lease has a term of over five years.

Act 137, Session Laws of Hawaii 2002 (Act 137), established an exception to this requirement and authorized a condominium association's board to unilaterally approve the installation of television signal distribution and telecommunications equipment upon a condominium's common elements.

Your Committee finds that despite the enactment of Act 137, some condominium association boards are being advised that owner approval is still required if a telecommunications installation agreement has or potentially could have a term greater than five years. This measure clarifies that licenses, leases, and other agreements authorized by Act 137 are not subject to the owner approval requirement.

Your Committee made technical, nonsubstantive changes to this measure for purposes of style and clarification.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2009, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2539 Commerce Consumer Protection and Housing on S.B. No. 2882

The purpose of this measure is to enact a new insurance code article to establish Hawaii as a port of entry for alien insurers.

Testimony in support of this measure was received from the State Insurance Commissioner, Hawaii Insurers Council (HIC), and Reinsurance Association of America.

Your Committee finds that in the growing worldwide market for insurance, many non-U.S. insurers are seeking to do business in the United States. An insurer seeking to come to the United States must obtain a license in each state in which it intends to do business. In most states, it is more difficult for a non-U.S. company to obtain a license than it is for a U.S. company, because of the various corporate laws and citizenship requirements. Your Committee further finds that there is no practical or consumer interest-based reason why this should be the case.

This measure would enable a non-U.S. company to become licensed in Hawaii, and be treated as an insurance company domiciled in Hawaii for purposes of obtaining licenses in other states. This measure incorporates provisions from the State of Entry Model Law of the National Association of Insurance Commissioners.

Your Committee further finds that this measure would build upon Hawaii's reputation as a center for conducting business around the Pacific Rim, thereby facilitating greater diversification of Hawaii's economy and creating jobs and supporting businesses.

Your Committee has amended this measure on the recommendation of the HIC as agreed to by the Insurance Commissioner, by making certain clarifying amendments to the required amount of trust assets of an alien insurer and the reporting requirements thereto. Your Committee has also made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2882, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2882, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2540 Commerce Consumer Protection and Housing on S.B. No. 2896

The purpose of this measure is to revise licensing requirements for private detectives and guards.

Testimony in support of this measure was received from the Board of Private Detectives and Guards (Board).

Your Committee finds that a sole proprietor should be considered a firm or agency, regardless of whether or not the sole proprietor has any employees. This clarification would effectuate a reduction in a regulatory burden by establishing a one-tier licensing system rather than the current two-tier system, where a sole proprietor with employees pays two license fees.

Your Committee further finds that due to recurring questions the Board received regarding unofficial positions it has taken, there is a need to formalize and clarify such positions through statutory revisions. Such clarifications include making the principal detective or guard an employee of the agency, as well as responsible for the direct management and control of the agency and its employees; requiring that an applicant for a private detective or guard license possess a history of honesty, truthfulness, financial integrity, and fair dealing; and designate authority to the Board over the denial, renewal, and reactivation of licenses and make any appeal subject to Chapter 91, HRS.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2896 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2541 Commerce Consumer Protection and Housing on S.B. No. 2951

The purpose of this measure is to enhance consumer protection by improving the administration of the laws regulating the practice of radiologic technology.

The Department of Health testified in support of this measure.

This measure updates the title of the administrative officer that oversees licensure of radiologic technicians from "executive secretary" to "executive officer". Additionally, this measure affords licensees greater due process protections by eliminating the

Radiologic Technology Board's supervision of the executive officer in order to separate the prosecutorial and adjudicatory functions of the licensing authority. Finally, this measure authorizes the imposition of monetary fines, in addition to license denial, suspension, and revocation, for violations of the regulatory laws and rules. Your Committee finds that this measure will facilitate the regulation of radiologic technicians and the protection of consumers.

Your Committee has amended this measure to correctly reflect the language in the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2951, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2951, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2542 (Joint) Commerce Consumer Protection and Housing and Science, Arts, and Technology on S.B. No. 2678

The purpose of this measure is to establish, fund, and provide for the governance of a One Call Center to coordinate the location of subsurface installations and provide notification to subsurface installation operators of proposed excavation work.

Testimony in favor of this measure was received from the Land Use Research Foundation of Hawaii, Building Industry Association Hawaii, General Contractors Association of Hawaii, Hawaiian Electric Company, Inc., Verizon Hawaii, The Gas Company, and Hidano Construction, Inc. The Consumer Advocate, Public Utilities Commission, and Department of Transportation expressed concerns about the measure. The City and County of Honolulu opposed the measure.

This measure creates a One Call Center Board (Board) and requires the Board to establish a One Call Center (Center) by January 1, 2005. The purpose of the Center is to receive notification from excavators of proposed excavation work and to provide notification of the same to the operators of subsurface installations that may be affected by the excavation. The measure establishes requirements for timely notification to and by the Center, marking of excavation sites, identification of subsurface installations by operators, commencement of excavation, re-marking of installations, and excavation procedures. Additionally, the measure establishes penalties for violation of the above requirements.

Your Committees find that the establishment of a One Call Center will facilitate the identification of subsurface installations to avoid or minimize damage to facilities and the environment, minimize the disruption of service to operator customers, and enhance the safety of excavators.

Your Committees have amended this measure to:

- (1) Exempt from the definition of "excavator" a subsurface installation operator whose employees are performing maintenance work on the operator's subsurface installation;
- (2) Limit the use of funds from the Public Utilities Commission Special Fund to the initial establishment of the One Call Center; and
- (3) Require an operator with subsurface installations that may be affected by a proposed excavation to provide the excavator with either an approximate location of the installation or the location and field markings of the installation in conformance with the American Public Works Association Uniform Color Code, but not both.

Additionally, your Committees made technical, nonsubstantive changes to the measure for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2678, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2678, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (Aduja, Kim, Sakamoto, Hemmings, Whalen).

SCRep. 2543 Commerce Consumer Protection and Housing on S.B. No. 2905

The purpose of this measure is to clarify that the Board of Medical Examiners may impose censure or reprimand as a disciplinary sanction for licensees.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs (DCCA) and Board of Medical Examiners. Comments were received from the Hawaii Medical Service Association.

According to testimony of the DCCA, medical boards in more than forty states have the statutory authority to censure or reprimand licensees, in addition to revocation and suspension. This measure is intended to establish intermediate sanctions and thereby increase the range of sanctions in cases where revocation or suspension is not warranted. Furthermore, if intermediate sanctions against a licensee have already been imposed, the Board of Medical Examiners could more easily impose suspension or revocation of the license.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2905 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2544 Commerce Consumer Protection and Housing on S.B. No. 3031

The purpose of this measure is to adopt the revised version of Article 7 of the Uniform Commercial Code (UCC) relating to documents of title, and to make conforming amendments throughout the UCC.

The State Commission to Promote Uniform Legislation testified in support of this measure.

Your Committee finds that the proposed revisions to Article 7 of the UCC are intended to provide a framework for the further development of electronic documents of title and to update the law consistent with state, federal, and international developments.

Your Committee further finds that Hawaii has consistently been in the forefront in adopting the articles of the UCC and their revisions, and that the approval of this measure is consistent with the State's goals of providing a business-friendly environment.

Your Committee has amended this measure by to reflect preferred drafting style and to accurately reflect the language of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3031, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3031, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2545 Education on S.C.R. No. 19

The purpose of this measure is to request the Department of Education, with the assistance of the Department of Accounting and General Services, to conduct a feasibility study on the establishment of central kitchens for the Department of Education.

Your Committee received testimony in support of the measure from the Department of Education.

Your Committee finds that the Department of Education currently has approximately 45 central kitchens servicing 72 satellite serving kitchens. The department is evaluating consultant proposals to study the concept of establishing central kitchens to prepare meals or components of school meals for distribution to other schools. The study will also examine outsourcing meals and meal components, the use of new food preparation technology such as flash freezing, and other food production techniques to make the system more efficient to reduce costs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Sakamoto).

SCRep. 2546 Education on S.R. No. 9

The purpose of this measure is to request the Department of Education, with the assistance of the Department of Accounting and General Services, to conduct a feasibility study on the establishment of central kitchens for the Department of Education.

Your Committee received testimony in support of the measure from the Department of Education.

Your Committee finds that the Department of Education currently has approximately 45 central kitchens servicing 72 satellite serving kitchens. The department is evaluating consultant proposals to study the concept of establishing central kitchens to prepare meals or components of school meals for distribution to other schools. The study will also examine outsourcing meals and meal components, the use of new food preparation technology such as flash freezing, and other food production techniques to make the system more efficient to reduce costs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 9 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Sakamoto).

SCRep. 2547 Education on S.C.R. No. 20

The purpose of this measure is to request the University of Hawaii to update the master building plan for the College of Education which was developed in 1994 by the Department of Accounting and General Services.

Your Committee received testimony in support of the measure from the University of Hawaii.

Your Committee finds that the University of Hawaii is in the process of preparing a Long-Range Development Plan for the entire Manoa campus, and the College of Education facilities will be included as an integral part of that plan. As the college's capacity to produce teachers has been increased by providing funds for outreach to the neighbor islands and success in securing external grants and contracts, currently available building space is not sufficient to accommodate the current expanded outreach efforts and faculty and staff hired through grants and contracts. The existing facilities are also inadequate for new faculty needed in teacher education.

Your Committee further finds that the Department of Accounting and General Services has found that three large College of Education buildings are obsolete, fail to meet current standards, and pose safety and health hazards. Given these facts, it is appropriate for the University of Hawaii to update the master building plan for the College of Education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 20 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Sakamoto).

SCRep. 2548 Education on S.R. No. 10

The purpose of this measure is to request the University of Hawaii to update the master building plan for the College of Education which was developed in 1994 by the Department of Accounting and General Services.

Your Committee received testimony in support of the measure from the University of Hawaii.

Your Committee finds that the University of Hawaii is in the process of preparing a Long-Range Development Plan for the entire Manoa campus, and the College of Education facilities will be included as an integral part of that plan. As the college's capacity to produce teachers has been increased by providing funds for outreach to the neighbor islands and success in securing external grants and contracts, currently available building space is not sufficient to accommodate the current expanded outreach efforts and faculty and staff hired through grants and contracts. The existing facilities are also inadequate for new faculty needed in teacher education.

Your Committee further finds that the Department of Accounting and General Services has found that three large College of Education buildings are obsolete, fail to meet current standards, and pose safety and health hazards. Given these facts, it is appropriate for the University of Hawaii to update the master building plan for the College of Education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 10 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Sakamoto).

SCRep. 2549 Commerce Consumer Protection and Housing on S.B. No. 2886

The purpose of this measure is to update and streamline the insurance code.

The Department of Commerce and Consumer Affairs and NAIFA Hawaii testified in support of this measure. State Farm Insurance Companies and the Hawaii Insurers Council opposed the measure. The American Council of Life Insurers offered comments.

In 2001, the State adopted the Producer License Model Act (PLMA) pursuant to the federal mandates established in the Gramm-Leach Bliley Act (GLBA), and over the following two years, continued to amend the insurance laws to conform to federal requirements.

This measure makes additional amendments throughout the insurance code to ensure conformity with the PLMA and GLBA, and makes other changes for the purpose of making the insurance laws more efficient and comprehensible, less burdensome, and technically correct. Among other things, this measure:

- (1) Authorizes the destruction of self-insurance applications, registration documents, and certificates of compliance and deposits after one year of retention;
- (2) Repeals the public notice requirement for certification of foreign insurers in designated states;
- (3) Authorizes the Insurance Commissioner (Commissioner) to waive publication and notice requirements for withdrawal by an insurer;
- (4) Clarifies that redomestication may include domestications occurring in other states of the United States branch office of an authorized alien insurer;

- (5) Authorizes the Commissioner to provide notice of revocation or suspension of an insurer's certificate of authority to other state insurance departments through the National Association of Insurance Commissioners' data base;
- (6) Reduces the licensing fee for resident producers from \$75 to \$50;
- (7) Authorizes the Commissioner to appoint advisers to review captive applications; and
- (8) Repeals duplicative provisions and corrects statutory references.

Your Committee finds that this measure will help to modernize the State's insurance laws, ease filing requirements for insurers, and bring Hawaii's laws into conformity with federal law and national standards.

Your Committee has amended this measure by:

- (1) Deleting the proposed new section to article 10E, chapter 431, Hawaii Revised States, that would have required an insurer that intended to discontinue the writing of property insurance coverage to provide the Commissioner with thirteen months advance notification stating the reasons for the discontinuation; and
- (2) Making numerous technical, nonsubstantive changes to correct terminology, to accurately reflect the language of the Hawaii Revised Statutes, and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2886, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

SCRep. 2550 Commerce Consumer Protection and Housing on S.B. No. 2908

The purpose of this measure is to clarify ambiguities and correct errors and inconsistencies in the State's business registration laws.

The Department of Commerce and Consumer Affairs (DCCA) and twenty-five individuals testified in support of this measure.

This measure is a general housekeeping measure that clarifies ambiguities and corrects errors and inconsistencies in the business registration laws that have occurred due to changes in division policies and procedures, and drafting errors. Additionally, this measure makes other changes to the business registration laws to modernize the business registration procedures and make them more "business friendly".

This measure, among other things:

- (1) Clarifies that shareholder agreements may authorize corporate action without a meeting and without the written consent of all shareholders, and permits disclosure of such an agreement in the corporation's articles of incorporation;
- (2) Authorizes the appointment of a trustee or receiver for dissolved corporations;
- (3) Adds or amends definitions for consistency or uniformity;
- (4) Clarifies the merger laws;
- (5) Conforms the Uniform Limited Partnership Act to current state business registration practices;
- (6) Repeals the requirement that operating agreements for limited liability companies be in written form; and
- (7) Repeals obsolete language or inapplicable statutory references.

Your Committee amended this measure:

- (1) To require limited and foreign limited partnerships to provide the names and addresses of each general partner in their annual statement filed with DCCA; and
- (2) By making technical amendments to reflect preferred drafting style, to accurately reflect the language in the Hawaii Revised Statutes, and to make a conforming amendment.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2908, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2908, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2551 Commerce Consumer Protection and Housing on S.B. No. 2909

The purpose of this measure is to streamline and expedite the rate filings of public utilities with annual gross revenues of less than \$2,000,000.

The Consumer Advocate, Public Utilities Commission (PUC), Princeville Utilities Company, Inc., and U. Development testified in support of this measure.

Your Committee finds that public utility rate cases, as traditionally conducted, are lengthy and costly proceedings for both the utility and its customers. Proceedings often span a six to seven month period to allow the Consumer Advocate sufficient time to complete its review, and procedural requirements, such as responding to discovery requests, put a strain on a smaller utility's limited staff resources. In order to support its rate case, a smaller utility may be compelled to hire outside consultants and legal counsel, resulting in additional costs to the utility which are ultimately passed on to the utility's customers. Furthermore, because of the costliness of the procedure, smaller utilities generally file infrequently for rate increases. Consequently, rate increases, when sought, are in the double-digit range in order to account for substantial increases in operating costs since the last filing.

Your Committee finds that this measure would significantly reduce or negate the need for the submission of traditional discovery in smaller utility rate cases by requiring public utilities with annual gross revenues of less than \$2,000,000 to utilize a standard form application that, when complete, would contain sufficient information to permit analysis by the Consumer Advocate, to submit financial information in conformance with the National Association of Regulatory Utility Commissioners' Uniform System of Accounts, and to file annual financial statements and updated chart of accounts with the PUC and Consumer Advocate within ninety days from the end of each calendar year.

Additionally, this measure requires the PUC to hold a public hearing on the rate increase request and to strive to issue a decision and order within six months of the application filing.

Your Committee concludes that this measure will provide an incentive for smaller public utilities to submit their rate filings on a more timely or regular basis in order to avoid imposing deferred, but large and financially burdensome rate increases on utility customers. These revised procedures will also help to reduce the agencies' administrative costs in processing rate filings and enable the Consumer Advocate to focus its staff resources on more critical tasks.

Your Committee has amended this measure to:

- (1) Require the submission of public utility financial information in conformance with a standard chart of accounts to be approved by the PUC, rather than with the National Association of Regulatory Utility Commissioners' Uniform System of Accounts;
- (2) Extend the period for the PUC's issuance of a proposed decision and order from six months to nine months if the commission allows a party to intervene;
- (3) Provide that the parties to a rate case are not entitled to a contested case hearing prior to the issuance of the PUC's proposed decision and order; and
- (4) Clarify procedures, and the rights and obligations of the parties, if the proposed decision and order is accepted or not accepted by the parties.

Your Committee also made a nonsubstantive, stylistic change to the measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2909, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2909, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2552 (Joint) Water, Land, and Agriculture and Energy and Environment on S.B. No. 2782

The purpose of this measure is to provide the Department of Land and Natural Resources with the same financial flexibility afforded through federal guidelines regarding habitat conservation plans.

Testimony in support of the measure was submitted by the Department of Land and Natural Resources, Land Use Research Foundation of Hawaii, Hawaii Leeward Planning Conference, The Nature Conservancy, and Koa Timber, Inc.

Your Committees find that the current state financial requirements for landowners seeking approval for a habitat conservation plan is too burdensome for small companies and individual property owners. Your Committees believe that the financial flexibility provided by this measure will encourage greater participation by private landowners in establishing habitat conservation plans. Your Committees further believe the moneys derived from implementing or securing funding for habitat conservation plans should be exempted from central services fees and administrative expenses to maximize the funds available to endangered species programs.

Accordingly, your Committees have amended the measure by exempting moneys generated by implementing or securing funding for habitat conservation plans from central services fees and administrative expenses and amending the section establishing the endangered species trust fund to allow those moneys to be deposited into that fund.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2782, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hooser, Kanno, Whalen).

SCRep. 2553 Water, Land, and Agriculture on S.B. No. 2816

The purpose of this measure is to provide staggered terms for the Board of Directors of the Agribusiness Development Corporation.

Testimony in support of the measure was submitted by the Agribusiness Development Corporation and Hawaii Agriculture Research Center.

Your Committee finds that staggered terms further the public interest by promoting institutional memory and enhancing the continuity of policy and decisionmaking in government agencies. Additionally, your Committee believes that the appointment process for the board members should be made subject to Section 26-34, Hawaii Revised Statutes, to ensure uniformity in the appointment process for public officials.

Your Committee has amended the measure by making the appointments by the Governor subject to Section 26-34, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2816, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 2554 (Joint) Water, Land, and Agriculture and Energy and Environment on S.B. No. 2477

The purpose of this measure is to authorize the Department of Agriculture to restrict the entry into the State of any items originating from Guam that have not been certified as having been inspected by the U.S. Department of Agriculture-Wildlife Services or other approved agency prior to shipment from Guam.

Testimony in support of the measure was submitted by the Department of Agriculture; The Nature Conservancy; Sierra Club, Hawaii Chapter; and Hawaii Audubon Society. Matson Navigation Company submitted comments on the measure.

Your Committees find that it is in the best interests of the State to take all reasonable and appropriate precautions to ensure that the brown tree snake does not become established in Hawaii. Your Committees believe that the threat of denying entry to uncertified items will encourage greater voluntary inspections of items being sent from Guam to Hawaii and contribute significantly to the efforts to prevent the brown tree snake from becoming established in the State.

Your Committees incorporated the suggestion of the Department of Agriculture and amended this measure by replacing the term "article" with "item" in the proposed new section to Chapter 150A, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2477, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2477, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hooser, Kanno, Whalen).

SCRep. 2555 (Joint) Energy and Environment and Science, Arts, and Technology on S.B. No. 2470

The purpose of this measure is to increase the term limit of performance contracts from fifteen to eighteen years and to amend the definition of "energy performance contract" to include water saving technology retrofits.

Testimony in support of the measure was submitted by the Department of Business, Economic Development, and Tourism, PowerLight Corporation, Hawaiian Electric Company, and Hawaii Renewable Energy Alliance. The City and County of Honolulu submitted comments on the measure.

Your Committees find that performance contracting is an important mechanism for implementing energy efficiency projects in the State. Your Committees further find that water saving technologies play an important role in energy conservation efforts and are often inextricably linked with energy savings technologies in resource conservation projects. Including water saving technologies with energy savings projects will conform to federal practices and facilitate financing for the State's resource conservation projects. In addition, your Committees agree with the comments from the City and County of Honolulu that increasing the term limit of performance contracts from fifteen to twenty years will promote greater use of those contracts.

Accordingly, your Committees have amended this measure by:

- (1) Adding a preamble section reciting the need to include water saving technology;
- (2) Clarifying the financing options for energy performance contracts to more accurately reflect current state financing practices;
- (3) Increasing the contract term limits from 18 to 20 years;
- (4) Clarifying that energy saved off-site by water or other utility conservation enhancing retrofits are included in the definition of “energy conservation retrofits”;
- (5) Including “site” in the definition of “facility”;
- (6) Changing “shared savings plan” to “guaranteed-savings plan”;
- (7) Limiting the amount payable under the contract to the verified energy cost savings amount; and
- (8) Making the measure effective upon approval.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2470, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 4 (Aduja, Baker, Fukunaga, Kanno).

SCRep. 2556 Energy and Environment on S.B. No. 2863

The purpose of this measure is to update the energy performance contracting statute to reflect the current state practices and add water conservation measures that produce energy savings on-site and off-site.

Testimony in support of the measure was submitted by the Department of Business, Economic Development, and Tourism and the University of Hawaii.

Your Committee finds that performance contracting is an important mechanism for implementing energy efficiency projects in the State. Your Committee further finds that water saving technologies play an important role in energy conservation efforts and are often inextricably linked with energy savings technologies in resource conservation projects. Including water saving technologies with energy savings projects will conform to federal practices and facilitate financing for the State’s resource conservation projects. In addition, your Committee finds that increasing the term limit of performance contracts from fifteen to twenty years will promote greater use of those contracts.

Accordingly, your Committee amended the measure by adding a preamble section reciting the need to include water saving technology, increasing the energy performance contract term limits from 15 to 20 years, and making a technical, nonsubstantive, stylistic change.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2863, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2557 (Joint) Energy and Environment and Water, Land, and Agriculture on S.B. No. 2973

The purpose of this measure is to allow the Department of Land and Natural Resources to adopt interim rules to protect native species threatened with imminent extirpation or extinction.

Testimony in support of the measure was submitted by the Department of Land and Natural Resources; Hawaii Audubon Society; and Sierra Club, Hawaii Chapter.

Your Committees find that providing the Department of Land and Natural Resources with interim authority to respond immediately to threats of imminent extirpation or extinction of native species is critical for the protection of the State’s unique natural resources.

Your Committees amended this measure to make technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2973, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2973, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hooser, Kanno, Whalen).

SCRep. 2558 Education on S.B. No. 2716

The purpose of this measure is to authorize the Hawaii Council of Private Schools to license the preschools of private elementary schools already licensed as elementary schools by the Hawaii Council of Private Schools.

Your Committee has amended the measure by removing its contents and replacing them with those of S.B. No. 3125, which was already subject to public hearing and decision making on February 13, 2004. A proposed S.D. 1 for S.B. No. 2716 reflecting these amendments was also made available for public review. The proposed S.D. 1 provided for the establishment of a candidate advisory council for the University of Hawaii Board of Regents to assist the Governor in determining criteria, and identifying and recruiting candidates for, membership on the Board.

Your Committee has amended the proposed S.D. 1 by:

- (1) Reducing the number of appointees made by the President of the Senate and Speaker of the House of Representatives from four each to three each;
- (2) Increasing the number of appointees made by the Governor from four to six;
- (3) Adding language regarding the qualifications of potential appointees to the advisory council;
- (4) Deleting all provisions relating to the political party affiliation of advisory council members;
- (5) Limiting appointees to no more than two consecutive six-year terms, excluding the initial term from this limitation;
- (6) Mandating the advisory council to develop and implement a fair, independent, and non-partisan process of selecting candidates to serve on the board;
- (7) Stipulating that the advisory council shall recommend three candidates for each vacancy on the Board of Regents; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2716, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Menor, Tsutsui, Hogue).

SCRep. 2559 Transportation, Military Affairs, and Government Operations on S.B. No. 2174

The purpose of this measure is to designate the last week of March and the last Thursday in March as Youth Involvement Recognition Week and Day, respectively.

Testimony in support of this measure was received from the Department of Education and Hawaii Youth Services Network.

This measure does not establish a state holiday. Your Committee views this measure as recognizing and affirming youth development programs, services, policymakers, governmental agencies, and educational entities that have successfully developed youth participation and involvement programs. This measure also recognizes youth of Hawaii who have made contributions to the success of these youth development program efforts.

According to the Hawaii Youth Services Network, fifty-five percent of high school students are involved in volunteer community service. Approximately 44,000 high school students are volunteers.

Your Committee finds that our youth are a valuable resource and one of our greatest assets. Empowering youth to play significant roles in the planning and shaping of their communities fosters a sense of ownership, competence, and commitment. In recognizing the concerted efforts of our youth and government, we reinforce the hope for a better tomorrow.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2174, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

SCRep. 2560 Transportation, Military Affairs, and Government Operations on S.B. No. 2244

The purpose of this measure is to exempt counties with a population of less than 150,000, rather than less than 500,000, from the law on inspection and approval of reconstructed vehicles.

Testimony in support of this measure was received from the Department of Transportation and Hawaii Automobile Dealers Association. Testimony in opposition was received from the Honolulu Police Department. Comments were received from the City and County of Honolulu Department of Customer Services.

Section 286-85, Hawaii Revised Statutes, provides that no person shall operate a reconstructed vehicle upon a public highway unless it has been inspected and certified by the designated county agency and has met the proper safety standards established by the Department of Transportation. Subsection (f) provides an exception for privately owned reconstructed vehicles in a county with a population of less than 500,000.

Your Committee finds that the purpose of requiring the inspection and certification of reconstructed vehicles is to preserve the integrity of the original safety standards and features of each vehicle to the greatest extent possible. Your Committee acknowledges that regulating the reconstruction of vehicles helps protect the State and counties against unwanted and unanticipated liability.

According to testimony of the Honolulu Police Department, exempted reconstructed motor vehicles threatens the safety of public highways and continues to be a problem throughout the State, particularly on the neighbor islands where the population falls under the current exemption determination.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2244 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

SCRep. 2561 Transportation, Military Affairs, and Government Operations on H.B. No. 1113

The purpose of this measure is to restore language that would permit prosecution for the illegal display or possession of a fictitious or fraudulent driver's license and the use of a false or fictitious name in applications for a driver's license.

Testimony in support of this measure was received from the Department of the Attorney General, Department of the Prosecuting Attorney, and the Honolulu Police Department.

Act 224, Session Laws of Hawaii 2002, proposed a new penal law section on identity theft, repealed the existing language in section 286-131, Hawaii Revised Statutes, relating to the unlawful use of driver's licenses, and deleted references to fictitious or fraudulent alteration and to false or fictitious names. This deletion was not intended, according to testimony. This measure restores the deleted material.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1113, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

SCRep. 2562 Transportation, Military Affairs, and Government Operations on S.B. No. 2033

The purpose of this measure is to require contractors on public works construction contracts to comply with State Department of Labor and Industrial Relations specifications for staffing requirements.

Testimony in support of this measure was received from Hawaii Operating Engineers Industry Stabilization Fund. Testimony in opposition was received from the Department of Accounting and General Services and Department of Labor and Industrial Relations.

According to the Department of Labor and Industrial Relations, currently there are no "staffing requirements" for construction contracts subject to Chapter 104, Hawaii Revised Statutes, relating to wages and hours of employees on public works. Chapter 104 governs what an employee should be paid based on the proper classification. It does not govern who that employee should be.

Your Committee finds that prevailing standards for contractors on public works construction contracts should be applied and enforced in an equitable manner. Your Committee determines that mandating the use of assistants, helpers, tenders, and apprentices will establish clear guidelines, which will in turn facilitate enforcement and foster equity and consistency in the governance of public works projects.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2033, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

SCRep. 2563 Water, Land, and Agriculture on S.B. No. 267

The purpose of this measure is to require the governor or executive agency taking any action on transactions involving public lands that is subject to legislative disapproval, to provide reasonable, timely, and sufficient notice of that action to the legislature.

Testimony in opposition to the measure was submitted by the Department of Land and Natural Resources and the Housing and Community Development Corporation of Hawaii.

Your Committee finds that the legislature has a statutory obligation to review and consider certain transactions concerning public lands and the authority to disapprove of any of those transactions that it deems improper or not in the public interest. However, most of the statutory provisions establishing that legislative authority lack a mechanism for ensuring that the legislature will be provided reasonable and timely notice of those transactions. Additionally, the references to special sessions in those provisions create ambiguity in determining when the legislative authority may be exercised and undermines the legislature's ability to receive timely notice of those transactions. Your Committee finds that omission and ambiguity hampers the legislature's ability to perform its duties effectively.

Accordingly, your Committee has amended this measure by:

- (1) Deleting reference to special sessions in the procedure for exercising legislative disapprovals;
- (2) Requiring that the legislative disapproval for each transaction involving public lands be expressed in a concurrent resolution adopted in the regular session during which the transaction occurs, or in the next regular session following the date of the transaction;
- (3) Requiring that written notice of the transaction be given to the legislature; and
- (4) Requiring that notice for any transaction involving public lands that occurs between the period commencing ten calendar days prior to the deadline for the introduction of concurrent resolutions for the regular session and ending ten calendar days prior to the deadline for the introduction of concurrent resolutions for the next following regular session, be given to the legislature no later than ten calendar days prior to the deadline for the introduction of concurrent resolutions for the next regular session following the date of the transaction.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 267, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 267, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2564 Commerce Consumer Protection and Housing on S.B. No. 2417

The purpose of this measure is to require large retailers and wholesalers that import goods for commercial sale to backhaul packaging, crating, insulation, pallets, and all other accommodating materials used for shipping to minimize the amounts of landfill.

Testimony in support of the general concept of this measure was received from Department of Health, the Mayor of Hawaii County, Sierra Club Hawaii Chapter, and Hawaii Food Industry Association.

Your Committee finds that this measure requires recycling of materials that would otherwise be dumped into landfills. Specifically, this measure covers typical recyclable materials such as packaging and shipping materials. These are very common in landfills and yet are easy to recycle. This measure is an effort to save our landfills from being filled with more trash that can be easily avoided.

Your Committee has amended this measure by changing the effective date to July 1, 2030 to continue the discussion on this important matter, and by making technical, nonsubstantive amendments. Your Committee heard testimony that the language of the measure should be further clarified, and acknowledges that this bill is a work in progress. Your Committee urges the testifiers to continue to work on language to amend this measure as it makes its way through the legislative process.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2417, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2417, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Baker, Whalen).

SCRep. 2565 Commerce Consumer Protection and Housing on S.B. No. 2589

The purpose of this measure is to allow a managed care plan additional time in which to reach a determination on an enrollee complaint.

The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, and Kaiser Permanente testified in support of this measure.

State law requires a managed care plan that has received an enrollee complaint for internal review to notify the complainant of the outcome of the review within forty-five days of the complaint's receipt. Federal labor rules allow health insurers sixty days to in which to make a determination on an appeal of a post-service claim.

This measure aligns state law with federal law by extending the deadline for notification to an enrollee of an internal review decision from forty-five days to sixty days. Your Committee finds that this measure will establish greater consistency in the appeals processes, thereby facilitating compliance by health plans.

Your Committee has amended this measure by making a conforming amendment to section 432E-6.5(b), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2589, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2589, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Kim, Sakamoto).

SCRep. 2566 Commerce Consumer Protection and Housing on S.B. No. 2889

The purpose of this measure is to extend for another year the Insurance Commissioner's authority to monitor the solvency of dental service organizations and dental service corporations.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Act 132, Session Laws of Hawaii 2001, Regular Session (Act 132) granted the Insurance Commissioner the temporary authority to examine, supervise, rehabilitate, and liquidate dental service corporations and dental service organizations, in order to allow the Commissioner to protect consumers from the imminent failure of one of the State's dental insurers.

The Commissioner's authority was established for one year under Act 132, but subsequently extended after liquidation proceedings were initiated against the insurer. As amended, Act 132 is scheduled to sunset on July 1, 2004, and this measure proposes to continue the Commissioner's authority until July 1, 2005. Your Committee finds that an extension is warranted to enable the Commissioner to bring the liquidation proceedings to a conclusion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2889 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Ige, Whalen).

SCRep. 2567 Commerce Consumer Protection and Housing on S.B. No. 2899

The purpose of this measure is to resolve inconsistencies, repeal obsolete provisions, and clarify the licensure, renewal, and reporting requirements in the state nursing laws.

The Board of Nursing (Board), Hawaii Nurses Association, and two individuals testified in support of this measure.

This measure amends the nursing laws to reflect recognition of advanced practice registered nurses, requires foreign practical nursing program graduates to submit proof of eligibility for licensure, and requires the Board to retain applicant documentation for two years. This measure also modifies the Board of Medical Examiners' formulary reporting requirement to require the reporting of formulary amendments only, requires the re-examination of nurses who have not actively practiced within the United States for more than five years, and repeals obsolete or irrelevant provisions.

Additionally, this measure directs the Board of Nursing to report to the Legislature on its findings relating to the effects of the Commission on Graduates of Foreign Nursing Schools examination and the English proficiency examination on nurse licensure and the nurse shortage.

Your Committee has amended this measure by:

- (1) Amending section 5 of Act 192, Session Laws of Hawaii 2002 (Act 192), as amended by Act 3, section 27, Session Laws of Hawaii 2003, to avoid the repeal of amendments made to section 457-8.6, Hawaii Revised Statutes, by Act 192; and
- (2) Making technical, nonsubstantive changes for clarification and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2899, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2899, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Baker, Whalen).

SCRep. 2568 Commerce Consumer Protection and Housing on S.B. No. 2950

The purpose of this measure is to make United States Food and Drug Administration approved, therapeutically equivalent generic drug products substitutable upon approval by the Director of Health.

Testimony in support of this measure was received from the Department of Health, Hawaii Pharmacists Association, Hawaii Medical Service Association, and Kaiser Permanente.

This measure is intended to enhance current law that allows the dispensing of therapeutically equivalent generic drugs by pharmacists. This measure clarifies that the definition of compendia of therapeutically equivalent generic drug products includes United States Food and Drug Administration-approved generic drug products with therapeutic evaluations. This means that the product has been approved for marketing by the United States Food and Drug Administration (FDA).

Your Committee finds that FDA-approved products are safe and effective, and therapeutically equivalent drugs should be allowed to be used for generic substitution.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2950, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Kim, Sakamoto).

SCRep. 2569 Commerce Consumer Protection and Housing on S.B. No. 3079

The purpose of this measure is to include the intranasal delivery of vaccines within the scope of practice of pharmacists.

Testimony in support of this measure was received from the Board of Pharmacy, MedImmune, Inc., National Association of Chain Drug Stores, and Hawaii Pharmacists Association. Testimony in opposition was received from the Hawaii Medical Association.

Your Committee finds that a pharmacist who is appropriately trained should be able to administer intranasal drugs and vaccines. Pharmacies are ideally suited to provide preventative immunization health care services, thus addressing the critical public health issue of inadequate immunizations.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3079 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Kim, Sakamoto).

SCRep. 2570 Commerce Consumer Protection and Housing on S.B. No. 3222

The purpose of this measure is to establish coverage limitations on naturopathic treatment provided as a personal injury protection (PIP) benefit under a motor vehicle insurance policy.

The Hawaii Insurers Council, State Farm Insurance Companies, and eight individuals testified in support of this measure. The Department of Commerce and Consumer Affairs offered comments on the measure.

When the State enacted the motor vehicle insurance reform law in 1997, alternative health treatments such as acupuncture, chiropractic, and naturopathy were no longer included as mandatory PIP benefits. Acupuncture and chiropractic have since been reinstated as PIP benefits, but are subject to coverage limitations.

In December, 2000, the Insurance Division, in response to House Concurrent Resolution No. 131 (2000), issued a report entitled "Actuarial Analysis of the Utilization and Rate Impacts of Reinstating Naturopathy Among the Personal Injury Protection Benefits in Motor Vehicle Insurance". This report found that reinstating naturopathy as a PIP benefit would have a minimal impact on insurance premiums.

This measure reinstates naturopathic treatments as a PIP benefit, subject to a limitation of thirty visits at a maximum of \$75 per visit. Your Committee finds that establishing naturopathic treatment as a mandated benefit will provide policyholders with greater treatment options without significantly affecting insurance costs.

Your Committee has amended this measure by making a technical, stylistic change.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3222, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3222, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Baker, Whalen).

SCRep. 2571 Commerce Consumer Protection and Housing on S.B. No. 2902

The purpose of this measure is to make a violation of the federal Do-Not-Call provisions an unfair or deceptive trade practice under Hawaii law.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs (DCCA) and Verizon. Comments were received from Legislative Information Services of Hawaii and the Hawaii Automobile Dealers Association's franchised new vehicle auto dealers.

According to testimony of the DCCA, this measure harmonizes Hawaii's telemarketing laws with the recently enacted Do-Not-Call provisions of the Telemarketing Sales Rule and the Telephone Consumer Protection Act passed by Congress. This measure enhances the ability of the State to enforce violations of the Do-Not-Call provisions in state courts by making violations of the Do-Not-Call provisions a violation of state law.

Your Committee finds that this measure will clarify and strengthen Hawaii's telemarketing law. Testimony indicated that similar efforts to harmonize state law with federal law have been proposed in several other states, with the support and encouragement of the Federal Communications Commission and the Federal Trade Commission.

Your Committee has amended this measure to make a clarifying amendment in reference to the federal law citation, and to make a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2902, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2902, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Baker, Whalen).

SCRep. 2572 Commerce Consumer Protection and Housing on S.B. No. 2895

The purpose of this measure is to require a pest control operator to maintain continuous workers' compensation and liability insurance coverages for license renewal.

Additionally, this measure:

- (1) Requires automatic forfeiture of a pest control operator's license upon expiration or cancellation of workers' compensation insurance or liability insurance;
- (2) Provides for procedures for contesting and restoring a forfeited license; and
- (3) Requires an individual, who engages in the business of pest control, to file with the State Pest Control Board proof of liability and workers' compensation insurance coverages.

Testimony in support of this measure was submitted by the State Pest Control Board (board) and the Hawaii Pest Control Association.

Your Committee finds that, although not specifically mandated by law, subsumed within the requirements that a pest control operator obtain workers' compensation and liability insurance coverages is the intent that such coverages be continuously maintained in order to preserve continued licensure. Your Committee further finds that the maintenance of workers' compensation and liability insurance coverages are so essential to continued licensure that failure to maintain such coverages should result in the automatic forfeiture of the pest control operator's license.

Furthermore, as it is the responsibility of the pest control operator to maintain compliance with all licensure requirements, the onus should be placed upon the pest control operator to notify the board of the termination or cancellation of any insurance coverage or be subject to disciplinary action. Your Committee also recognizes that, based upon the testimony submitted, it is currently difficult to obtain liability insurance; therefore, it is necessary to institute procedures for the restoration of a forfeited license that will protect the rights of a pest control operator as well as authorize the board to properly regulate and enforce requirements within the industry. To further assist the board in controlling the industry, the board should also be tasked with serving as the repository for the filing of proof of liability and workers' compensation insurance coverages for pest control businesses.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2895, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Baker, Whalen).

SCRep. 2573 Commerce Consumer Protection and Housing on S.B. No. 3172

The purpose of this measure is to narrow the grounds for sanctioning a pest control operator licensee.

The Hawaii Pest Control Association testified in support of this measure. The Department of Commerce and Consumer Affairs (DCCA) and State Pest Control Board opposed the measure.

Pest control operators have raised concerns that the pest control law authorizing license sanctions:

- (1) Is overly broad because it prohibits violation of state and county laws or rules that are not necessarily consumer protection measures, and authorizes disciplinary action against a licensee convicted for any offense committed while engaged in pest control operations; and
- (2) Contains references to construction repairs which are irrelevant because pest control operators are no longer licensed as contractors.

Therefore, under this measure, the following acts would no longer constitute grounds for the revocation, suspension, or nonrenewal of a pest control operator's license:

- (1) Violation of any state or county law relating to building, pesticide use, safety, or labor, including laws or rules of the Departments of Agriculture, Health, or Labor and Industrial Relations;
- (2) Failure to complete any operation or construction repair for the price stated in the contract; and
- (3) Commission of an offense while engaged in the business of pest control operations that resulted in a criminal conviction.

Your Committee finds that as section 436B-19(14), Hawaii Revised Statutes, already authorizes sanctions against a licensee regulated by DCCA who has a criminal conviction, a similar prohibition in the pest control operators law is duplicative and unnecessary.

Your Committee further finds, however, that the other changes proposed by this measure would weaken consumer protection. Licensees would no longer be subject to discipline for violating requirements established outside of the pest control operators law that may nevertheless impact consumer protection, such as the law that governs the application of pesticides. Further, licensees would not be obligated to perform work at the agreed-upon contract price. Therefore, your Committee has amended this measure to:

- (1) Prohibit pest control operators from violating any law or rule of the State or counties relating to building, pesticide use, safety or labor, or that is rationally related to the qualifications, functions, duties, or responsibilities of a pest control operator, including but not limited to the Hawaii pesticides law; and
- (2) Prohibit a licensee from failing to perform an operation for the price stated in the contract or in an agreed upon modification to the contract.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3172, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3172, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Baker, Whalen).

SCRep. 2574 Commerce Consumer Protection and Housing on S.B. No. 3136

The purpose of this measure is to require chiropractic services to be covered under medicaid and QUEST.

Testimony in support of this measure was received from the Department of Human Services, Hawaii State Chiropractic Association, and eight individuals.

Your Committee finds that chiropractic services are an accepted part of the health care delivery system across the United States. In Hawaii, chiropractic legislation was enacted in 1925. Chiropractic services are currently covered federally in medicare as well as for all veterans. Inclusion of chiropractic services in QUEST and medicaid will serve to bring Hawaii in line with the majority of other states.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3136 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Kim, Sakamoto).

SCRep. 2575 Judiciary and Hawaiian Affairs on S.B. No. 2056

The purpose of this measure is to designate the Auditor as an authorized representative of the Department of Education and Department of Health for purposes of accessing student records.

Testimony in support of this measure was submitted by the Auditor. Your Committee received testimony in opposition to the measure from the Department of the Attorney General, Department of Education, Department of Health, and Hawaii State Teachers Association.

Your Committee finds that there is an issue of confidentiality preventing the Auditor from conducting a thorough review of concerns surrounding the provision of mental health services to Felix class students. This measure would facilitate the Auditor's work with the Joint Senate-House Investigative Committee to investigate the State's compliance with the Felix consent decree and related matters, which may continue for some time to come. Your Committee believes that this measure is necessary and will address the confidentiality issues that currently impede the Auditor's review.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2056, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

SCRep. 2576 Judiciary and Hawaiian Affairs on S.B. No. 2061

The purpose of this measure is to make technical amendments to the interstate agreement on qualifications of educational personnel.

Testimony in support of this measure was received from the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that authority to determine requirements for the Hawaii teacher license is with the Hawaii Teacher Standards Board, but conforming amendments to the Hawaii Revised Statutes are needed to reflect this authority. This measure accomplishes that by making the Hawaii Teacher Standards Board the official agency for the State in matters of teacher licensure and reciprocity agreements.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2061 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

SCRep. 2577 Judiciary and Hawaiian Affairs on S.B. No. 2200

The purpose of this measure is to repeal the administrative rulemaking requirements for the Running Start program.

Testimony in support of this measure was received from the Department of Education.

Your Committee finds that both the Department of Education and the University of Hawaii need flexibility in order to establish mutually agreeable programs without compromising existing statutes and policies. Eliminating administrative rulemaking requirements for the Running Start program will help the Department and the University institute educational programs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2200 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

SCRep. 2578 Judiciary and Hawaiian Affairs on S.B. No. 2161

The purpose of this measure is to authorize a minor's caregiver to consent to health care services for the minor.

Testimony in support of this measure was received from the Department of Human Services, Office of Hawaiian Affairs, Child Welfare Services State Advisory Council, ILWU Local 142, Kokua Council, Policy Advisory Board for Elder Affairs, Na Tutu, and four individuals.

Your Committee finds that many grandparents and other family members are raising their grandchildren, nieces, and nephews because the children's parents cannot, or will not, care for them. Under this measure, caregivers would have the authority to seek medical help for the children they care for.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2161 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Hogue).

SCRep. 2579 Judiciary and Hawaiian Affairs on S.B. No. 2978

The purpose of this measure is to require the Department of Public Safety deputy sheriffs and narcotics enforcement officers and Attorney General investigators to report child abuse cases, and to take the child victim into protective custody.

Testimony in support of this measure was received from the Attorney General, Department of Human Services, and Department of Public Safety.

Your Committee finds that deputy sheriffs, narcotics enforcement officers, and attorney general investigators occasionally witness child abuse during the course of their work. Current law does not specifically state that these officers shall report the abuse, or may assume protective custody of a child. Rather than wait for police officers to arrive at the scene pursuant to a call from the social worker, for example, this measure will authorize deputy sheriffs, narcotics enforcement officers, and Attorney General investigators to report and, if necessary, assume protective custody.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2978 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Hogue).

SCRep. 2580 Judiciary and Hawaiian Affairs on S.B. No. 2606

The purpose of this measure is to authorize brewpubs to sell beer for consumption off-premises.

Testimony in support of this measure was submitted by Caldera Brewing Company and ten individuals. Comments were also submitted by the Retail Liquor Dealers Association of Hawaii and Liquor Dispensers of Hawaii.

Your Committee finds that currently brewpubs are restricted from selling their beer for consumption off-premises. In order to distribute their beer, the brewpubs have to go through a distributor. However, because these small brewpubs do not distribute large quantities of their beer, it is very difficult to get and keep distributors that will supply their beer. Your Committee believes that this measure addresses these current restrictions and will allow brewpubs to sell their own beer to consumers without having to go through a distributor.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2606, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

SCRep. 2581 Judiciary and Hawaiian Affairs on S.B. No. 2377

The purpose of this measure is to include digitally recorded images and the use of any device to make such recordings as part of the offense of violation of privacy.

This measure adds:

- (1) Digital storage to the definition of record for purposes of the violation of privacy law; and
- (2) Photographic image transmissions to the violation of privacy law in the second degree, and adds clarifying amendments.

Testimony in support of this measure was received from the Honolulu Prosecuting Attorney, Honolulu Police Department, and T-Mobile USA, Inc.

Your Committee finds that with the advent of new technologies, such as cellular telephones that are capable of taking digital photographs and transmitting them, statutory amendments are necessary to regulate inappropriate uses of the technology that would violate a person's privacy.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2377, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

SCRep. 2582 Judiciary and Hawaiian Affairs on S.B. No. 2627

The purpose of this measure is to establish the rights and duties of artists and art dealers under an agreement for the consignment of art.

Testimony in support of this measure was submitted by two individuals.

Your Committee finds that there is a need to clarify the rights and duties of artists and art dealers under a consignment agreement, and this measure will address those needs. Specifically, this measure codifies the understanding that a consigned work is properly held in trust by the dealer for the artist.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2627 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

SCRep. 2583 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 2405

The purpose of this measure is to remove the restriction to issue solid waste permits to facilities, without regard to existing resource recovery facilities.

Testimony in opposition to this measure was submitted by the Board of Water Supply for the City and County of Honolulu, Department of Environmental Services for the City and County of Honolulu, Covanta Energy Group, and one individual. Comments were also submitted by Life of the Land.

Your Committee finds that there is an urgent need to address our community's solid waste management concerns. The current system is inadequate to meet the demands of our growing needs, and amendments to the current laws are necessary to accommodate these needs.

Thus, in considering some of the comments and concerns to this measure, your Committee adopted a change suggested by Life of the Land. Specifically, your Committee has amended this measure to prohibit the placement of a landfill over sole source aquifers, as defined by the Environmental Protection Agency. Your Committee finds that this recommendation is well reasoned and also addresses a concern articulated in the Board of Water Supply's testimony.

Your Committee believes that this amended measure is necessary to address this critical need. However, your Committee further recommends that continued discussion on this measure is necessary. Specifically, one issue that should be considered is the inclusion of environmental justice policy studies in decisions by the Department of Health when granting permits. Your Committee is aware that there are continued issues concerning the funding for these studies.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2405, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2405, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 2 (Fukunaga, Ihara). Excused, 1 (Hogue).

SCRep. 2584 Judiciary and Hawaiian Affairs on S.B. No. 2440

The purpose of this measure is to clarify the definition of "family" for purposes of homestead leases to include biological, adopted, and hanai first cousins.

Testimony in support of this measure was submitted by Hawaiian Political Action Council of Hawaii. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources, Office of Hawaiian Affairs, and one individual.

Your Committee finds that there is a need to recognize the nature of the Hawaiian culture's extended family and relationships. Your Committee believes that this measure accommodates these practices.

Your Committee has amended this measure to remove the words: "biological, adopted, and hanai first." Thus, the amended portion of the measure now reads: "For homestead leases, "family" also includes cousins."

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2440, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2440, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Hogue).

SCRep. 2585 Judiciary and Hawaiian Affairs on S.B. No. 3044

The purpose of this measure is to provide a penalty provision for violation of the law on public access to coastal and inland recreational areas.

The bill makes it a misdemeanor to restrict public access to the sea, shoreline, or any inland recreational areas and adds a fine of \$1,000 or more for a second offense, and a fine of \$2,000 or more for a third and subsequent offense.

Testimony in support of this measure was received from the Department of Land and Natural Resources, Office of Hawaiian Affairs, a Maui County Council Member, American Friends Service Committee, Hawaiian Political Action Council of Hawaii, Life of the Land, and two individuals.

The intent of this measure is to protect access to public resources by discouraging residents from attempting to block public access. This would also apply to new developments. Your Committee finds that public access should remain open and accessible as part of our island heritage.

Your Committee further finds that the public has come to rely on the public access points at all times of the day for a variety of subsistence, cultural and recreational activities, all of which should be protected for the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3044 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Hogue).

SCRep. 2586 Judiciary and Hawaiian Affairs on S.B. No. 2294

The purpose of this measure is to provide that a person commits the offense of criminal trespass in the second degree if a person enters or remains unlawfully in or upon any public or private property.

Testimony in support of this measure was received from the Honolulu Police Department, Mokule`ia Community Association, Hawaii Reserves, Inc., and three individuals. Testimony in opposition was received from the Affordable Housing and Homeless Alliance and the Honolulu Prosecuting Attorney.

The current criminal trespass laws have loopholes that frustrate law enforcement. Your Committee finds that this measure enhances enforcement of the trespass law as it pertains to public and private property, such as parks, beaches, campgrounds, and the like, particularly as applied to squatters.

Your Committee has amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2294, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Hogue).

SCRep. 2587 Judiciary and Hawaiian Affairs on S.B. No. 2406

The purpose of this measure is to clarify the adoption, amendment, and repeal of administrative rules and the reliance of other decisions and orders when rendering a decision and order on a rule.

Testimony in support of this measure was submitted by Life of the Land. Testimony in opposition to this measure was submitted by the Department of Accounting and General Services and Hawaii Civil Rights Commission.

Your Committee finds that there is a need to clarify the adoption, amendment, and repeal of administrative rules and the reliance of other decisions and orders when rendering a decision and order on a rule. Your Committee believes that this measure addresses those needs and ensures that the public's right to participate in the State's administrative rulemaking process is not diminished by clarifying that a public agency may not:

- (1) Rely upon another agency's compliance with section 91-3, Hawaii Revised Statutes, regarding the process of adopting, amending, or repealing an administrative rule, when adopting, amending, or repealing its own administrative rule;
- (2) Utilize a contested case proceeding to adopt, amend, or repeal an administrative rule without also complying with the rulemaking process of section 91-3, Hawaii Revised Statutes; or
- (3) Rely upon its past decisions and orders or the decisions and orders of other agencies to resolve a contested case proceeding.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2406 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ihara, Kawamoto).

SCRep. 2588 Judiciary and Hawaiian Affairs on S.B. No. 2436

The purpose of this measure is to enact a special sentencing provision for habitual violent felons.

Testimony in support of this measure was submitted by the Department of the Attorney General, Honolulu Prosecuting Attorney, and Honolulu Police Department. Comments were also submitted by the Office of the Public Defender.

Your Committee finds that there is a need to enact special sentencing provisions for habitual violent felons. Your Committee based its finding on a task force conclusion that these sentencing provisions are necessary. The task force was convened by Senate Concurrent Resolution No. 86, 2003, under the leadership of the dean of the William S. Richardson School of Law and comprised of federal and state law enforcement officials, defense attorneys, and representatives of the state bar and the judiciary. Your Committee further finds that the specific language in this measure is the proposed language recommended by the task force. Your Committee believes that this measure is necessary and encompasses the recommendations of the task force.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2436 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

SCRep. 2589 Judiciary and Hawaiian Affairs on S.B. No. 2922

The purpose of this measure is to allow the Department of Hawaiian Home Lands to enter into business relationships with private companies.

Testimony in support of this measure was submitted by the Department of Hawaiian Home Lands (department).

Your Committee finds that a new section should be added to the Hawaiian Home Lands Act, 1920, as amended, to enable the department to actively participate in economic development projects on Hawaiian Home Lands. Your Committee believes that this measure is necessary and will help to reduce the cost of housing, encourage business and employment opportunities for native Hawaiians, and generate additional revenue for the department.

Your Committee has amended this measure to change the effective date to “upon its approval or upon the consent of Congress, if consent is necessary.” Your Committee also amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2922, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2922, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

SCRep. 2590 Judiciary and Hawaiian Affairs on S.B. No. 3113

The purpose of this measure is to automatically qualify all residents of the county of Kalawao to absentee vote for each election.

Testimony in support of this measure was submitted by one individual.

Your Committee finds that the county of Kalawao is a unique, isolated, and closed community. Many of the long-time residents of the settlement are advanced in age and physically unable to operate a precinct poll. Your Committee further finds that to exercise their right to vote, the residents must presently apply for absentee ballots in every election year.

In a joint meeting with the chief election officer of the State and the county clerk of Maui, residents expressed their unanimous desire to have absentee ballots mailed to them automatically, without the need to file an application. Your Committee finds that there is a compelling state interest to provide this service to the residents of this area, and this measure is consistent with the State’s special mandate to care for the residents of the Kalaupapa settlement in the county of Kalawao.

Your Committee has amended this measure to clarify that this provision is provided to the residents of the county of Kalawao to address a compelling state interest. Your Committee further amended this measure by removing all repeal requirements in section 4.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3113, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

SCRep. 2591 Ways and Means on S.B. No. 2877

The purpose of this measure is to allow the State to serve in perpetuity as the custodian of unclaimed property and funds to allow rightful owners to claim their property or funds without time constraints.

Your Committee finds that under section 523A-3.5, Hawaii Revised Statutes, property or funds held for a period of two to six years, depending upon the value of the property, shall permanently escheat to the State. This law, however, conflicts with the intent of the State’s Unclaimed Property Program, which requires the State to serve as custodian of unclaimed property or funds until it is claimed by its rightful owner.

This measure repeals section 523A-3.5, Hawaii Revised Statutes, to provide consistency in the law and administration of unclaimed property and funds. Additionally, since the enactment of section 523A-3.5, Hawaii Revised Statutes, in 1996, the law has never been implemented nor has the public been adversely affected under the Unclaimed Property Program.

Your Committee has amended the bill by adding a savings clause to ensure the rights of claimants of unclaimed property.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2877, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 2592 Ways and Means on S.B. No. 2983

The purpose of this measure is to conform the Hawaii income tax law to changes in the Internal Revenue Code.

The Department of Taxation is required under section 235-2.5, Hawaii Revised Statutes, to annually submit this measure to maintain state income tax conformity with the Internal Revenue Code with certain exceptions, including:

- (1) Section 163(d)(4)(B), Internal Revenue Code, relating to the exclusion of dividends from investment income;
- (2) Section 168, Internal Revenue Code, relating to increasing and extending the special bonus depreciation; and
- (3) Sections 179(b)(1), 179(b)(2), 179(b)(5), 179 (c)(2), and 179(d)(1), Internal Revenue Code, relating to expensing depreciable business expenses.

This bill adopts changes in the Internal Revenue Code that include the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and the Military Family Tax Relief Act of 2003.

Your Committee has amended the bill by making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2983, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2983, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 2593 (Majority) Ways and Means on S.B. No. 2986

The purpose of this measure is to conform the state withholding tax remittance due date policy (for employers with an annual withholding tax liability exceeding \$40,000), to the federal "semi-weekly" tax remittance due date policy.

Currently, an employer with an annual state withholding tax liability of \$100,000 or less, must remit payment on or before the fifteenth day of the calendar month following the month for which the taxes were withheld. An annual withholding state tax liability of \$100,000 or more requires remittance of taxes on or before the tenth day of the calendar month following the month for which the taxes were withheld. Finally, if an employer's annual state tax liability is less than \$5,000, remittance may be made on or before the fifteenth day of the month after the close of each quarter.

This bill conforms the State's monthly due date for remitting Hawaii withholding tax to the federal "semi-weekly" policy, but with a lower \$40,000 threshold. The lower threshold is necessary because the state wage withholding consists of only income tax, while federal wage withholding consists of income tax, social security tax, and Medicare tax.

Your Committee finds that a one-time revenue gain of \$40,000,000 to \$60,000,000 for fiscal year 2005 will be realized by the State because the "float" on state income tax withholdings will be drastically reduced by the expedited semi-weekly payment required under this bill.

Your Committee has amended the bill by lowering the proposed tax remittance threshold amount from amounts that exceed \$40,000 to amounts that exceed \$20,000. Your Committee has also adopted the recommendation of the Department of Taxation and has lowered the electronic funds transfer threshold for withholdings taxes to amounts that exceed \$20,000. Otherwise, tax payments by electronic funds transfer are required only for taxpayers with an annual tax liability of at least \$100,000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2986, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, 3 (Hemmings, Slom, Trimble). Excused, 4 (Aduja, Kanno, Kawamoto, Sakamoto).

SCRep. 2594 Ways and Means on S.B. No. 2990

The purpose of this measure is to extend the deadline for the repeal of the integrated tax information management systems special fund.

Your Committee finds that Act 273, Session Laws of Hawaii 1996, authorized the Department of Taxation to enter into performance-based contracts to acquire automated tax systems. In 1999, the integrated tax information management systems special fund was established in section 231-3.2, Hawaii Revised Statutes, to pay the contractor for the systems. The department and the contractor entered into a contract for the provision of the automated tax systems, including computer hardware and software. Your Committee finds that both parties have agreed to the extended date to complete the contract and that the additional time is needed for the Department to train on the new system and will help ensure better customer service for the public.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2990 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Aduja, English, Kawamoto, Sakamoto, Tsutsui, Slom).

SCRep. 2595 (Majority) Ways and Means on S.B. No. 3180

The purpose of this measure is to promote efficiency and accountability within state government by ensuring that the salaries and qualifications for certain state agency civil service exempt positions are subject to legislative review.

Specifically, the measure:

- (1) Establishes that unless a deputy director or special assistant position is authorized by law, no state executive department or agency shall establish or fill such a position without first filing a report with the Department of Human Resources Development that includes:
 - (A) A justification for the position;
 - (B) The duties and responsibilities for the position;
 - (C) The selection criteria and minimum qualifications to be used to fill the position;
 - (D) The salary range for the deputy director or special assistant position; and
 - (E) A comparison of the salary range being offered for the position with salaries being paid in the private sector to persons with similar qualifications and responsibilities;
- (2) Requires the Governor to annually file a report with the Legislature, at least twenty days prior to the convening of each regular session, detailing:
 - (A) Each department's or agency's compliance with the filing requirements for each nonstatutorily-established deputy director or special assistant position under the executive branch's control;
 - (B) The number of such positions under the executive branch's control;
 - (C) The salaries paid to each person occupying such a position and how it compares with the salary range filed with the Department of Human Resources Development; and
 - (D) Any variance that results in a situation where a person occupying a position covered under the measure is being paid in excess of the salary range filed with the Department of Human Resources Development for that position, and the reasons for the variance;
- (3) Establishes criteria to qualify a position as a nonstatutorily-established deputy director or special assistant position as being, in part, a position that has a salary that is not less than fifty percent of a departmental director's salary (\$85,302); and
- (4) Abolishes all nonstatutorily-established deputy director or special assistant positions that are not in compliance with the measure as of January 1, 2005.

Your Committee finds that the measure will enable the Legislature, as well as the general public, to determine whether certain deputy director and special assistant positions in state government are necessary and if so, whether these positions are being filled by adequately compensated, qualified personnel.

Your Committee has amended the measure by:

- (1) Deleting the requirement that departments and agencies compare the salary range being offered for a deputy director or special assistant position with private sector salaries;

- (2) Adding to the salary amount filing and reporting requirement imposed upon departments, agencies, and the Governor, a requirement that the department, agency, or Governor also include information as to what funding source is being used to fund the position;
- (3) Exempting the deputy director, special assistant, and other positions enumerated in section 76-16(b), Hawaii Revised Statutes, from being included in the filing and reporting requirements of the measure;
- (4) Amending the fifty percent of a departmental director's salary criteria to qualify a position as a nonstatutorily-established deputy director or special assistant position by deleting the specified percentage and leaving it blank to promote further discussion; and
- (5) Adding positions that are temporarily assigned or loaned to a director's office to the provision that establishes what positions are to be considered as deputy directors or special assistants.

Your Committee believes that the amended measure will better effectuate its intended purpose.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3180, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Hemmings, Sлом). Excused, 2 (Espero, Trimble).

SCRep. 2596 Commerce Consumer Protection and Housing on S.B. No. 2207

The purpose of this measure is to reduce the notice requirement for cancellation of a motor vehicle insurance policy for nonpayment of premiums from thirty days to fifteen days.

The Department of Commerce and Consumer Affairs, GEICO, and the Hawaii Insurers Council testified in support of this measure. The Consumer Lawyers of Hawaii opposed the measure.

Current law requires a motor vehicle insurer to give a policyholder thirty days notice before canceling the policyholder's policy for nonpayment of premiums. This measure proposes to reduce that time period to fifteen days.

Your Committee finds that the majority of the states establish a ten-day cancellation requirement, most of the other states have a fifteen-day or twenty-day notice requirement, and Hawaii, West Virginia, and the District of Columbia have a thirty-day notice requirement.

Your Committee further finds that longer notification periods are not necessarily advantageous for consumers. Shorter cancellation periods allow for smaller minimum down payment amounts and monthly payment plans, and result in lesser amounts of free coverage (coverage provided during the cancellation period), the cost of which must be spread among responsible policyholders who make their premium payments.

Your Committee further finds that a fifteen-day notice period may not afford Hawaii consumers adequate notice. Most automobile insurance in Hawaii is written by national insurance companies with centralized billing and cancellation operations based on the mainland, and it may take from a week to ten days for cancellation notices mailed from these locations to be delivered to Hawaii residents.

Accordingly, your Committee has amended this measure to reduce the notice requirement from thirty days to twenty days.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2207, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2207, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2597 Commerce Consumer Protection and Housing on S.B. No. 2296

The purpose of this measure is to require continued competency in plumbing code requirements as a condition of license renewal for plumbers and to modify the license renewal schedule.

The Board of Electricians and Plumbers, Plumbing and Mechanical Contractors Association of Hawaii, and Plumbers and Fitters Local 675 testified in support of this measure. The Department of Commerce and Consumer Affairs expressed concerns about the measure.

Currently, licensed electricians are required to submit proof of attendance at continuing education courses on updates to the National Electrical Code or pass an exam on the electrical code updates in order to renew their licenses. This measure establishes a similar requirement for plumbers by requiring continuing education or demonstration of competency in Uniform Plumbing Code (UPC) updates. Additionally, this measure replaces the biennial renewal schedule for plumbers with a triennial renewal schedule to coincide with revisions to the UPC.

Your Committee finds that this measure enhances consumer protection by helping to ensure that plumbers remain current in their knowledge and understanding of plumbing code requirements.

Your Committee further finds that concerns have been expressed about the ability of the community colleges to develop and offer the required courses in sufficient time to allow licensees to fulfill the continuing education requirement. Therefore, your Committee has amended this measure by delaying its effective date to December 31, 2004. Your Committee also made nonsubstantive, stylistic changes to the measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2296, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2296, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2598 Commerce Consumer Protection and Housing on S.B. No. 2530

The purpose of this measure is to repeal the Board of Public Accountancy's authority to accept experience in private or government accounting as a substitute for professional public accounting experience for licensure purposes.

The Board of Public Accountancy (Board), Hawaii Association of Public Accountants, and thirty-six individuals testified in support of this measure. The Department of Taxation, Internal Revenue Service, Hawaii Society of Certified Public Accountants, and four individuals opposed the measure.

Act 86, Session Laws of Hawaii 1997, established the authority of the Board of Public Accountancy to allow experience in private or government accounting to be substituted for all or part of the two-year public accountancy experience requirement for persons applying for a license as a certified public accountant (CPA). This measure repeals that authority.

In the three years since the Board has been administering the substituted experience provision, it has received fifty-three applications seeking licensure based on private or government experience. Of this total, thirty-seven applications were approved, one was denied, two were withdrawn, and thirteen are pending due to deficiencies, mostly related to verification of the applicant's experience by a licensed CPA supervisor.

Your Committee finds that the subjective nature of the process of evaluating an applicant's private or government accounting experience to determine whether such experience is a satisfactory substitute for public accounting has given rise to concerns among Board members about the validity of the process. These concerns have led the Board to change its position on the issue of accepting substituted experience and the Board no longer supports substitution.

Your Committee further finds that the licensing law's substituted experience provision has allowed agencies such as the Department of Taxation and the Internal Revenue Service to recruit, hire, and retain talented individuals to perform complex tax audits. These agencies argue that if substitution of experience is no longer allowed, they will have difficulty replacing an aging work force.

Your Committee concludes that this measure merits further consideration and encourages the parties to continue their discussions and to work towards a satisfactory resolution of the issues. In order to support a continued dialogue, your Committee has amended this measure by inserting a delayed effective date of July 1, 2030.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2530, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2599 Commerce Consumer Protection and Housing on S.B. No. 2612

The purpose of this measure is to establish a continuing education requirement for pharmacist license renewal.

Testimony in support of this measure was received from the Board of Pharmacy, Hawaii Pharmacists Association, Hawaii Medical Service Association, Kuakini Medical Center, Kaiser Permanente, and an individual.

In 2003, the Food and Drug Administration approved four hundred sixty-six new drugs. The dynamic nature of the pharmaceutical industry requires that pharmacists keep abreast of new developments in the profession and the industry, particularly with respect to new drugs and new drug therapies, and changes in the evidence-based use of drugs. Consumers depend upon pharmacists to be knowledgeable about the efficacious and safe use of prescription drugs and to monitor drug regimens for drug interactions, adverse drug effects, and contraindications.

This measure will help to ensure that pharmacists remain current in their professional knowledge and skills by requiring that pharmacist licensees complete thirty hours of continuing education each licensing biennium as a condition of license renewal. With the enactment of this measure, Hawaii will no longer be the only state in the nation without a continuing education requirement for pharmacist licensees.

Your Committee has amended this measure to:

- (1) Redefine the term “continuing education courses” to emphasize the purposes of continuing education to improve patient safety and maintain quality national standards in the prevention of medication errors;
- (2) Delay the effect of the continuing education requirement until the license renewal period for the licensing biennium beginning on January 1, 2008;
- (3) Clarify that the continuing education requirement does not apply to licensees who graduate from an accredited pharmacy school within one year of their first license renewal period; and
- (4) Not defer to January 1, 2007, the Board’s authority to conduct random compliance audits of licensees.

In addition, your Committee made technical, nonsubstantive amendments to the measure for purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2612, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Kim, Sakamoto).

SCRep. 2600 Commerce Consumer Protection and Housing on S.B. No. 3190

The purpose of this measure is to require the Public Utilities Commission (PUC) to revoke the certificate or permit of a motor carrier that engages the services of a driver who is not licensed as a commercial driver.

This measure also:

- (1) Prohibits a motor carrier from applying for a new permit or certificate for five years after revocation based upon engaging the services of a driver not licensed as a commercial driver;
- (2) Makes it a misdemeanor for any person to knowingly engage the services of a person not licensed as a commercial driver.

Testimony in support of this measure was submitted by the Public Utilities Commission and the Hawaii Transportation Authority.

Your Committee finds that the purpose of the Motor Carrier Law is to fairly regulate the highways in a manner consistent with public safety that also promotes safe, adequate, economical, and efficient motor carrier service. Your Committee further finds that although motor carriers may be conscientious in conducting checks as to the licensing of commercial driver applicants or employees, situations may occur when a motor carrier unintentionally utilizes the services of a driver who is not a validly licensed commercial driver. Your Committee determines that a motor carrier is not always aware of a revocation or suspension of a driver’s commercial license and, therefore, should not be penalized for the inadvertent utilization of an unlicensed commercial driver.

However, in those situations where a motor carrier knowingly and willingly engages the services of a driver who has no commercial driver’s license, or whose commercial license has been revoked or suspended, the motor carrier should be subject to the revocation of its certificate or permit. Your Committee also determines that due to the gravity of such a violation, the motor carrier shall be considered guilty of a misdemeanor and precluded from obtaining a new permit or certificate for at least five years after revocation. Additionally, your Committee believes that the PUC should be provided with any necessary assistance from the Department of Transportation for enforcement of the aforementioned regulations.

Accordingly, your Committee has amended this measure by:

- (1) Requiring that a motor carrier must knowingly and willfully engage the services of an unlicensed commercial driver in order for the PUC to revoke the motor carrier’s certificate or permit;
- (2) Providing that a motor carrier who knowingly and willfully engages the services of an unlicensed commercial driver is guilty of a misdemeanor; and
- (3) Amending section 271-38, Hawaii Revised Statutes, to require the Department of Transportation, at the request of the PUC, to assign a motor vehicle safety officer to assist in the enforcement of section 271-19, HRS.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3190, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Baker, Whalen).

SCRep. 2601 (Joint) Commerce Consumer Protection and Housing and Transportation, Military Affairs, and Government Operations on S.B. No. 3062

The purpose of this measure is to ensure that impact fees collected from developers are used for the benefit of the development for which the fees were assessed, and to clarify that schools and transportation infrastructure are types of public facilities for which impact fees are to be expended.

The Department of Education, Department of Transportation, City and County of Honolulu, and Mililani Mauka/Launani Valley Neighborhood Board No. 35 testified in support of this measure. The Land Use Research Foundation of Hawaii and an individual offered comments. Four Maui County councilmembers opposed the measure.

Your Committees find that the development of schools and roads has not kept pace with new home construction in the State. Schools are already over capacity by the time they open their doors to the first student and traffic problems continue to worsen as more and more residents move into newly-established communities. Your Committees find that impact fees collected by developers should be utilized to address the education and transportation needs of these communities.

This measure clarifies that impact fees assessed and collected by the counties for a specific development shall be reasonably related to the benefits accruing to that development. This measure also provides that public facilities include schools and transportation infrastructure.

Your Committees have amended this measure by:

- (1) Deleting language that refers to the development for which fees are collected and expended as the "specific" development and as the "same" development for which the impact fees are assessed; and
- (2) Inserting a delayed effective date of July 1, 2030, to encourage and support further discussion of this measure.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3062, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3062, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Aduja, Ige, Kim, Sakamoto).

SCRep. 2602 Judiciary and Hawaiian Affairs on S.B. No. 1268

The purpose of this measure is to make clarifying amendments to the child support enforcement law.

Testimony in support of this measure was submitted by the Department of the Attorney General.

This measure:

- (1) Provides the Child Support Enforcement Agency (agency) with authority to issue income withholding orders in situations where the obligor or obligee makes a request to the agency for income withholding;
- (2) Makes consistent the language regarding the state case registry and administrative orders of the agency with orders issued by the Family Court; and
- (3) Requires the orders of the agency to include a statement that the obligor is required to keep the agency informed of access to medical insurance, and allows the agency to notify the employer to terminate the insurance by specified means.

Your Committee adopted the following amendments suggested by the Department of the Attorney General:

- (1) To provide authority to either parent to apply for services from the agency;
- (2) To clarify that information obtained by the agency may be disclosed at an administrative hearing conducted for child support purposes;
- (3) To add "personal delivery" as a means of sending notice; and
- (4) To include language in administrative orders that requires the non-custodial parent to keep the agency informed of whether he or she has access to medical insurance coverage.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1268, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2603 Judiciary and Hawaiian Affairs on S.B. No. 2170

The purpose of this measure is to prohibit the sale of ammunition unless the purchaser shows registration for the firearm for which the ammunition is to be purchased.

Testimony in support of this measure was submitted by the Department of Health, Honolulu Department of the Prosecuting Attorney, Maui County Department of the Prosecuting Attorney, and Honolulu Police Department. Testimony in opposition to this measure was submitted by the Hawaii Rifle Association and nine individuals.

Your Committee finds that, often, illegally obtained firearms are used to commit crimes. Your Committee further finds that requiring proof of registration and identification to buy ammunition will make it more difficult to obtain ammunition for illegal firearms. It is for this reason that your Committee believes that this measure is necessary and will take one step toward circumventing crimes committed with illegally obtained firearms.

Your Committee has amended this measure to exempt firearms manufactured before 1899 from ammunition purchasing requirements.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2170, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2604 Judiciary and Hawaiian Affairs on S.B. No. 2482

The purpose of this measure is to prohibit campaign communications in state offices and buildings regarding contributions of money for political purposes.

Testimony in support of this measure was submitted by the Hawaii State Ethics Commission and the League of Women Voters. Testimony in opposition to this measure was submitted by the Department of the Attorney General.

There is no law against soliciting, sending, mailing, or delivering any solicitation for any contribution of money, including complimentary fundraiser tickets, for political purposes in state offices and buildings. Your Committee believes that this measure is needed to prohibit any person or organization from sending campaign communications to any state office or building, by requiring a fine of not more than \$500 for each violation.

Your Committee also notes that the Attorney General testified that there may be First Amendment concerns regarding this measure.

Your Committee adopted the amendments suggested by the Department of the Attorney General to divide the section into government employee requirements and private citizen requirements. Your Committee also amended this measure by changing the effective date to January 1, 2010, to continue the discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2482, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2482, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2605 Judiciary and Hawaiian Affairs on S.B. No. 2647

The purpose of this measure is to replace the Hawaii Council of Churches with the Interfaith Alliance Hawaii on the nominating panel for appointment to the Hawaii Paroling Authority.

Testimony in support of this measure was received from the Hawaii Council of Churches, Interfaith Alliance of Hawaii, and League of Women Voters.

Your Committee finds that the Hawaii Criminal Justice Association should replace the Hawaii Correctional Association as the latter no longer exists and the former is its successor. Your Committee also finds that the Interfaith Alliance Hawaii should replace the Hawaii Council of Churches as the more appropriate entity, which is agreed to by the Council.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2647, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2647, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2606 Judiciary and Hawaiian Affairs on S.B. No. 2810

The purpose of this measure is to require notification to the Office of Information Practices (OIP) of a civil action brought under the State's sunshine law, and to allow the OIP to intervene in the action as a matter of right.

This measure also clarifies the powers of the OIP and duties to make them more akin to the OIP's powers and duties under chapter 92F, Hawaii Revised Statutes (HRS), relating to the Uniform Information Practices Act.

Testimony in support of this measure was received from the OIP, Animal Rights Hawaii Advocates for Animals, Society of Professional Journalists Hawaii Chapter, and League of Women Voters. Comments were received from a Maui County Council Member.

The intent of this measure is to ensure that the OIP has the power to civilly enforce the open meetings law under part I of chapter 92, Hawaii Revised Statutes. This measure also ensures the uniform application of the sunshine law by all affected boards, thus eliminating public confusion as to whether boards are following the sunshine law as interpreted.

Your Committee finds that this measure allows the OIP to provide more thorough and comprehensive assistance to government and the public under the sunshine law. This measure ultimately benefits the public.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2810 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2607 Judiciary and Hawaiian Affairs on S.B. No. 2842

The purpose of this measure is to require child pornographers to register as sex offenders, redraft the penalty section to conform to the drafting conventions of the Model Penal Code, and make technical amendments to chapter 846E, Hawaii Revised Statutes (HRS).

Testimony in support of this measure was submitted by the Department of the Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, County of Maui Department of Prosecuting Attorney, County of Hawaii Police Department, County of Kauai Police Department, Hawaii Family Forum, and three individuals. Comments were also submitted by the Office of the Public Defender.

Your Committee finds that there is a public policy reason to include in the sex offender registry persons convicted of the creation and dissemination of child pornography or of electronic enticement of a child. Your Committee believes that these offenses involve egregious conduct against the health and welfare of children and this measure provides the means to address this by requiring registration.

Your Committee adopted the amendments suggested by the Office of the Public Defender to remove "legal address".

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2842, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2608 Judiciary and Hawaiian Affairs on S.B. No. 2846

The purpose of this measure is to propose a constitutional amendment to allow the state Legislature to enact legislation for the inadmissibility of an alleged sexual assault victim's prior sexual history and of privileged confidential communications between the victim and the victim's physician, psychologist, counselor.

Testimony in support of this measure was received from the Department of the Attorney General, Honolulu Prosecuting Attorney, Honolulu Prosecuting Attorney Victim Witness Kokua Services, Maui Prosecuting Attorney, Honolulu Police Department, Hawaii County Police Department, Kauai Police Department, Sex Abuse Treatment Center, National Association of Social Workers, Hawaii Psychological Association, and four individuals. Testimony in opposition was received from the Office of the Public Defender and ACLU of Hawaii.

Your Committee finds that the State Supreme Court decision in *State v. Peseti*, 101 Haw. 172, 65 P.3d 119 (2003), eviscerates previously enacted state legislation designed to protect sexual assault victims from unwarranted "fishing expeditions" by criminal defendants into the victims' sexual histories and confidential communications with treatment providers. Your Committee further finds that to the extent that *Peseti* is based upon an interpretation of the State Constitution, this amendment would make clear that the Legislature intends that criminal defendants in sexual assault cases should not be afforded greater protections than those required by the Constitution of the United States.

Your Committee further finds that this amendment will reduce crime by encouraging victims to report sexual assaults. Victims will be more willing to come forward knowing that their past sexual histories will not be the subject of fishing expeditions designed to discourage victims from reporting criminal acts. This amendment will also reduce discovery and investigative demands made upon public agencies and treatment providers that have nothing to do with the guilt or innocence of the accused.

Your Committee has amended this measure to add "licensed mental health professional".

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2846, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2846, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2609 Judiciary and Hawaiian Affairs on S.B. No. 2848

The purpose of this measure is to create new offenses related to the illegal compensation of public servants and to modify penalties of existing bribery statutes.

Testimony in support of this measure was submitted by the Department of the Attorney General, Hawaii State Ethics Commission, City and County of Honolulu Department of the Prosecuting Attorney, County of Maui Department of the Prosecuting Attorney, Honolulu Police Department, County of Hawaii Police Department, County of Kauai Police Department, County of Maui Police Department, and three individuals. Comments were also submitted by the Office of the Public Defender.

Your Committee finds that during the last several years, there have been several instances of public officials engaging in financial misconduct. This misconduct has resulted in the loss of public confidence in both public institutions and the people who work in them. Your Committee recognizes the importance of clear and strong laws against public corruption, particularly the buying of influence and power. Your Committee believes that this measure will provide law enforcement with the tools to fight public corruption.

Your Committee adopted the amendments suggested by the Department of the Attorney General to add an exception to bribery in the second degree. Specifically, bribery in the second degree shall not include "trivial benefits incidental to personal, professional, or business contacts and involving no substantial risk of undermining official impartiality."

Your Committee also amended this measure to make technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2848, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2610 Judiciary and Hawaiian Affairs on S.B. No. 3009

The purpose of this measure is to allow the Office of Information Practices to issue an administrative fine of \$50 for each violation of the Uniform Information Practices Act by a state or county agency as well as file a letter of reprimand in the personnel record of the employee responsible for the violation.

Testimony in support of this measure was submitted by the Animal Rights Hawai'i Advocates for Animals. Testimony in opposition to this measure was submitted by the Office of Information Practices (OIP), a Maui County Council Member, and Honolulu Police Department.

Your Committee finds that government agency compliance with the Uniform Information Practices Act is not consistent. Further, agency compliance is often viewed as a source of frustration by the public. The law does not currently provide consequences for noncompliance, except for judicial action that is rarely used.

Therefore, your Committee finds that agencies have little incentive for organizing their operations to routinely accommodate records requests from citizens, as required by law. Your Committee further finds that this measure is needed to provide appropriate consequences to encourage agencies and employees to comply with record requests in accordance with the law.

Your Committee has amended this measure to:

- (1) Remove language allowing the OIP to submit a letter of reprimand for the personnel records of an employee responsible for a violation;
- (2) Attach the OIP to the Department of Accounting and General Services for administrative purposes; and
- (3) Allow the OIP to communicate directly with the Governor and Legislature and make personnel decisions without the consent of the head of the department.

The OIP is currently administratively attached to the Lieutenant Governor's office. Only temporary offices are attached to the Lieutenant Governor's office, and your Committee finds that the OIP should not be a temporary office and should be administratively attached to the Department of Accounting and General Services.

Your Committee further finds that to ensure the autonomy of the OIP from the Department of Accounting and General Services, this measure allows the OIP to communicate directly to the Governor or Legislature and make all personnel decisions without the consent of the head of the department.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3009, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2611 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 3030

The purpose of this measure is to amend campaign-spending laws to conform to recent court rulings and federal regulations, and to clarify registration provisions, spending and contribution provisions, and penalties for egregious violations.

Testimony in support of this measure was submitted by the Campaign Spending Commission (commission) and the League of Women Voters of Hawaii.

Your Committee finds that in light of recent developments regarding campaign spending, there is a need to conform current laws with recent court rulings and federal regulations. Your Committee finds that further clarification is needed for registration provisions, campaign spending and contribution provisions, and penalties for egregious violations. Thus, your Committee believes that this measure is necessary to address all of these needs.

Your Committee has amended this measure by:

- (1) Allowing the use of campaign funds for any ordinary and necessary expenses, which was repealed in the original measure;
- (2) Providing requirements for those people who receive contributions but do not run;
- (3) Allowing the commission to communicate directly with the Governor and Legislature, make personnel decisions, and purchase office equipment; and
- (4) Changing the effective date to January 1, 2005.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3030, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3030, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Kawamoto). Excused, 1 (Fukunaga).

SCRep. 2612 Judiciary and Hawaiian Affairs on S.B. No. 2843

The purpose of this measure is to propose a constitutional amendment to allow public access to information concerning persons convicted of sexual offenses and crimes against children.

Testimony in support of this measure was submitted by the Department of the Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, County of Maui Department of the Prosecuting Attorney, County of Hawaii Police Department, Honolulu Police Department, County of Kauai Police Department, County of Maui Police Department, Hawaii Family Forum, Sex Abuse Treatment Center, and five individuals. Testimony in opposition to this measure was submitted by the Office of the Public Defender and American Civil Liberties Union of Hawaii.

Your Committee finds that there is a considerable public health and safety interest in providing sex offender registration information to the public so that parents and communities are aware of possible dangers to children. These provisions would enable the parents and communities to provide appropriate protection and supervision to take steps to protect their children. This measure guarantees public access to such information.

Your Committee further finds that the current statutory law is cumbersome and time consuming, and by implementing this measure, your Committee believes that the process would be more streamlined and better balance the right of the public to know about threats to their children and the rights of the defendant.

Your Committee has amended this measure to add the word "certain" when referencing "crimes" within the constitutional amendment, as well as the constitutional question.

Your Committee further adopted the amendments suggested by the Department of the Attorney General by amending the constitution and the constitutional question to "provide by law which offenses are subject to this provision, and for the manner in which public access to the registration information is obtained."

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2843, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2843, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2613 Judiciary and Hawaiian Affairs on S.B. No. 1271

The purpose of this measure is to repeal one of two duplicate definitions of “sexual conduct” in the law on obscenity.

Testimony in support of this measure was received from the Attorney General.

The definition being repealed was inadvertently inserted by Act 240, Session Laws of Hawaii 2002. Your Committee finds that retaining only the second definition will be sufficient to carry out the purpose of the law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1271 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2614 Judiciary and Hawaiian Affairs on S.B. No. 2447

The purpose of this measure is to enact a new electronic surveillance law and to exempt certain search and seizure cases from the necessity of obtaining an arrest or search warrant.

Testimony in support of this measure was received from the Attorney General (supporting part I and commenting on part II), Department of Public Safety, Honolulu Prosecuting Attorney, Honolulu Police Department, and four individuals. Testimony in opposition was received from the Office of the Public Defender, Japanese American Citizens League, American Civil Liberties Union Hawaii, and one individual.

According to testimony and the purpose section of this measure, the intent of this measure is to facilitate the use of electronic surveillance by conforming Hawaii procedures to federal procedures. Particularly with regard to methamphetamine use and possible terrorist attacks, this measure would provide another tool to fight crime. This measure would enable state law enforcement and federal authorities to work together to gather and share information.

Although this measure was not a recommendation for legislation of the Joint House-Senate Task Force on Ice and Drug Abatement, your Committee nonetheless passes this measure in the interests of continuing the discussion and assisting law enforcement authorities in their request for legislation to enhance the fight against crime.

Your Committee has amended this measure, on the recommendation of the Attorney General, by:

- (1) Deleting the definition of “aggrieved person”;
- (2) Adding a new defined term, “intercepted party,” and replacing all “aggrieved persons” with “intercepted party” throughout the measure;
- (3) Clarifying the definition of “electronic communication” to include cordless radio telephones and cellulars;
- (4) Adding a new section prohibiting the use of intercepted wire or oral communications as evidence in reference to electronic communication;
- (5) Replacing section 803-CC with a provision to use evidence obtained pursuant to a federal order in state courts; and
- (6) Deleting part II, relating to arrest and search warrants.

Your Committee also amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2447, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2447, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Kawamoto).

SCRep. 2615 Judiciary and Hawaiian Affairs on S.B. No. 2512

The purpose of this measure is to establish a random student drug testing pilot project in a Department of Education school district and to make an appropriation.

Testimony in opposition to this measure was received from the Attorney General (AG) and Hawaii State Teachers Association.

Your Committee has amended this measure by deleting its contents and inserting a provision for proposing a constitutional amendment to authorize the State to issue special purpose revenue bonds to assist not-for-profit private elementary schools, secondary schools, colleges, and universities.

This amended measure was passed by the Legislature in 2002, was placed on the ballot in the 2002 general election, and was ratified by the voters. However, your Committee finds that there may have been irregularities in the publication of the text of the amendment. While the AG does not believe this is necessary, your Committee believes that this measure should move forward to err on the side of caution. Your Committee believes that in the event that the 2002 amendment is found faulty and not to have been validly ratified, this measure would be available to place the question on the ballot for the next election.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2512, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2512, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Kawamoto).

SCRep. 2616 Judiciary and Hawaiian Affairs on S.B. No. 2844

The purpose of this measure is to provide penalties for habitual crime perpetrators.

Testimony in support of this measure was submitted by the Department of the Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, County of Hawaii Office of the Prosecuting Attorney, County of Maui Department of the Prosecuting Attorney, Honolulu Police Department, County of Hawaii Police Department, and Adult Friends for Youth. Testimony in opposition to this measure was submitted by the Community Alliance on Prisons, Drug Policy Action Group, and one individual. Comments were also submitted by the Office of the Public Defender and the Judiciary.

Your Committee finds that in 2002, Hawaii ranked first in the nation for property crime rates and second in larceny theft rates. A large portion of these crimes are committed by habitual offenders. Your Committee finds that by increasing the sanctions for habitual property offenders, this measure provides a deterrent to recidivism.

Your Committee has compared this measure with SB 3233, S.D.1 (the drug omnibus measure) and SB 2436 (the measure proposed by the task force to examine the three strikes issue). After thoroughly comparing the measures, your Committee has identified sections 2 through 10 as conflicting with the content of SB 3233 S.D.1 and SB 2436. As a result, your Committee has determined that the provisions in SB 3233 S.D.1 and SB 2436 better address the issues that relate to Act 161 and habitual violent felons. It is with this conclusion that your Committee amends this measure by deleting sections 2 through 10. The bill now defines habitual property crime, and amends the exceptions to the law on deferred acceptance of guilty and nolo contendere pleas.

Your Committee also amended this measure by adding a savings clause and making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2844, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2844, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Kawamoto).

SCRep. 2617 Judiciary and Hawaiian Affairs on S.B. No. 2851

The purpose of this measure is to propose a constitutional amendment to allow the admissibility of evidence derived from consensual conversations between law enforcement officers and other persons.

Your Committee has amended this measure by deleting its contents and inserting a provision for proposing a constitutional amendment to permit the initiation of criminal felony prosecutions upon the filing of a written information by prosecutors or the Attorney General.

Testimony in support of this measure was received from the Office of the Attorney General, Honolulu Prosecuting Attorney, Hawaii County Office of the Prosecuting Attorney, Hawaii County Police Department, Maui Police Department, and Hawaii Law Enforcement Coalition. Testimony in opposition was received from the Office of the Public Defender, Hawaii State AFL-CIO, ACLU of Hawaii, and ILWU Local 142.

This measure, as amended, was originally passed by the Legislature in 2002, was placed on the ballot in the 2002 general election and ratified by the voters. However, your Committee finds that this constitutional amendment may be necessary since the Hawaii Supreme Court struck down the ratification of the direct filing constitutional amendment because of irregularities in the publication of the text of the amendment. Therefore, this measure is an effort to place the proposal on the ballot again, although the Attorney General is of the opinion that this is not necessary.

Current law requires that felony prosecutions be initiated by grand jury indictment or upon finding of probable cause following a preliminary hearing. This measure extends the authority to initiate criminal felony prosecutions to prosecutors and the Attorney General upon the filing of written information in accordance with procedures and conditions provided by the State Legislature.

This measure proposes a constitutional amendment to allow an alternative method of initiating a felony prosecution. This direct filing method of initiating a prosecution, which is used in other states, involves the submission to the court of a document, also known as a written information, that is similar to a complaint and that is supported by affidavits and other documentary evidence. If a judge finds probable cause based upon the written information, a warrant is issued and the case proceeds to trial.

Your Committee finds that the use of this alternative method of prosecuting felonies will result in cost savings to the State and counties and allows for better use of law enforcement personnel and other resources. This measure does not eliminate safeguards for the accused because probable cause is still necessary to support the issuance of a warrant, and a finding of probable cause will be subject to challenge in a hearing. Further, because prosecutions will be initiated in a more timely fashion, cases will proceed more quickly to trial.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2851, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2851, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Kawamoto).

SCRep. 2618 Judiciary and Hawaiian Affairs on S.B. No. 2856

The purpose of this measure is to clarify the discretionary function of the State's waiver of sovereign immunity.

Testimony in support of this measure was submitted by the Department of the Attorney General, County Council of the County of Maui, and two attorneys. Testimony in opposition to this measure was submitted by the Consumer Lawyers of Hawaii and one individual.

Your Committee finds that there is a need to clarify the discretionary function of the State's waiver of sovereign immunity for the torts of its employees in the State Tort Liability Act. This measure conforms the interpretation of Hawaii law to the Federal Tort Claims Act upon which it is based.

Your Committee has amended this measure to:

- (1) Delete language that excepts negligent hires and supervision of employees and the catchall phrase "or any other tort" from tort liability;
- (2) Remove language indicating that it was the Legislature's intent that all exceptions to the State Tort Liability Act be construed broadly; and
- (3) Make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2856, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2856, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Kawamoto).

SCRep. 2619 Judiciary and Hawaiian Affairs on S.B. No. 2858

The purpose of this measure is to clarify the limits of liability for government entities in tort actions.

Testimony in support of this measure was submitted by the Department of the Attorney General, Department of Transportation, five members of the County of Maui County Council, and one attorney. Testimony in opposition was submitted by the Consumer Lawyers of Hawaii.

Your Committee finds that the purpose of the Legislature in enacting section 663-10.5, Hawaii Revised Statutes, was to abolish government entities' joint and several liability in any case under chapter 663, Hawaii Revised Statutes. However, your Committee finds that two circuit courts have interpreted section 663-10.9, relating to joint and several liability for noneconomic damages in motor vehicle accidents involving maintenance and design of highways, to apply to government entities, and these interpretations are incorrect. Your Committee believes that this interpretation creates confusion in the legal community regarding the application of section 663-10.5, and this measure clarifies that section.

Your Committee also finds that this measure amends Act 213, Session Laws of Hawaii 1994, to apply when a claim accrues, not when the government employee engaged in the alleged tortious act or omission. Your Committee further finds that there is confusion regarding this matter, and this measure will help to resolve this confusion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2858 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Kawamoto).

SCRep. 2620 Judiciary and Hawaiian Affairs on S.B. No. 2861

The purpose of this measure is to provide for the prosecution of certain class B and C felonies by information charging.

Testimony in support of this measure was submitted by the Department of the Attorney General, City and County of Honolulu, Hawaii Tourism Authority, AARP Hawaii, Retail Merchants of Hawaii, Waikiki Beach Activities, Ltd., and Waikiki Improvement Association. Comments were also submitted by the Judiciary.

Your Committee finds that this measure is the product of a consensus reached by a task force created by Act 190, Session Laws of Hawaii 2003. The task force was comprised of representatives from the Judiciary, Department of the Attorney General, prosecuting attorneys' offices, Public Defender's Office, county police departments, private citizens, and private practice attorneys. As a result of the task force's work, this measure was created to provide a procedure for information charging. Your Committee believes that this measure is necessary to implement information charging.

Your Committee has adopted the recommendations submitted by the Department of the Attorney General to amend the effective date of this measure to read:

"This Act shall take effect upon the date the chief election officer issues a certificate of election under section 11-156, Hawaii Revised Statutes, certifying that the State Constitution has been amended to allow felony criminal charges to be initiated by the filing of a written information."

Your Committee also adopted the amendment suggested by the Judiciary to include a definition for "court having jurisdiction" and "court" to mean the circuit court; provided that the chief justice may by order authorize district court judges to make probable cause determinations, set bail, and direct the issuance of arrest warrants.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2861, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2861, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Kawamoto).

SCRep. 2621 Judiciary and Hawaiian Affairs on S.B. No. 3185

The purpose of this measure is to enact an abuse of process law for vexatious requestors of public records.

Testimony in support of this measure was submitted by the Office of the Lieutenant Governor, Department of the Attorney General, Department of Business, Economic Development, and Tourism, Department of Human Services, Department of Public Safety, Office of Information Practices, the Senate Majority Attorney, and two individuals.

Your Committee finds that the Uniform Information Practices Act (UIPA) is an important tool for the public to access government information. However, there are also concerns about people who abuse the UIPA by making vexatious requests to government agencies. Your Committee finds that there should be measures to address abusive and malicious requests, and your Committee believes that this measure will address these problems.

However, your Committee notes that although there may be a need to address vexatious requestors, there must be a balance between addressing abusive conduct and not limiting legitimate public requests. Your Committee further notes that this measure is intended to address problems with this type of abusive conduct and should not be used to avoid or circumvent legitimate requests.

Your Committee has amended this measure to provide more detail and safeguards on two of the seven factors used in determining a vexatious requestor. Specifically:

- (1) Duplicative or repetitive requests are a factor if the agency has already responded to the request; and
- (2) Abandoning a request when the fee is not waived is a factor if the request is for a purpose other than obtaining access to the records.

Your Committee has also specified that the restrictions on vexatious requestors must be narrowly tailored to the abusive pattern of conduct.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3185, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2622 Judiciary and Hawaiian Affairs on S.B. No. 183

The purpose of this measure is to allow the Campaign Spending Commission and the Office of Elections to communicate directly with the Legislature or the Governor, make personnel decisions, and purchase equipment without the approval of the department head.

Testimony in support of this measure was submitted by the Campaign Spending Commission, Hawaii Clean Elections Coalition, and the League of Women Voters. Testimony in opposition to this measure was submitted by the Department of Accounting and General Services.

Your Committee is very concerned about recent developments regarding administrative attachments of certain boards and commissions to their departments. Specifically, an issue arose of whether the Campaign Spending Commission and the Office of Elections have the autonomy to testify on their own behalf in legislative hearings. It has been represented to your Committee that in order for the Campaign Spending Commission to testify at a legislative hearing, prior consent or approval must come from the head of the Department of Accounting and General Services.

Your Committee believes that prior approval or review by the head of the department is not necessary, and both the Campaign Spending Commission and the Office of Elections have the autonomy to communicate directly with the Governor or Legislature. It is for this reason that your Committee further believes that this measure is necessary to ensure the independence of the Campaign Spending Commission and the Office of Elections by specifically allowing both to:

- (1) Communicate directly with the Governor or the Legislature;
- (2) Make all personnel decisions; and
- (3) Purchase all office equipment.

Your Committee has amended this measure by exempting the Office of Elections from section 26-35(1), (4), and (5), Hawaii Revised Statutes, which relates to the same activities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 183, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 183, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2623 Judiciary and Hawaiian Affairs on S.B. No. 195

The purpose of this measure is to protect from public disclosure trade secrets and other confidential proprietary information contained within records pertaining to tenants and prospective tenants of the Natural Energy Laboratory of Hawaii Authority.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, Office of Information Practices, and the Natural Energy Laboratory of Hawaii Authority.

Your Committee finds that currently the leasing function of the Natural Energy Laboratory of Hawaii Authority requires tenants to provide detailed business plans to evaluate their potential for successful tenancy. Due to the nature of this business, the information obtained is proprietary, and prospective and current tenants may potentially be harmed by public disclosure of this sensitive information. Your Committee believes that this proprietary information should not be subject to disclosure, and this measure will protect this type of information from normal sunshine law provisions.

Your Committee has amended this measure to clarify that the disclosure protection is specifically for only a tenant or prospective tenant of the Natural Energy Laboratory of Hawaii Authority.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 195, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 195, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2624 Judiciary and Hawaiian Affairs on S.B. No. 2023

The purpose of this measure is to create a three-tier system of driver licensing, including creation of a provisional license for persons under the age of eighteen.

Testimony in support of this measure was received from the Department of Health, Department of Transportation, Honolulu Police Department (HPD), Keiki Injury Prevention Coalition, American Academy of Pediatrics, Mothers Against Drunk Driving (MADD),

Hawaii Insurers Council, State Farm Mutual Automobile Insurance Company, and three individuals. Testimony in opposition was received from the Hawaii Motorcycle Dealers Association. Comments were received from the Judiciary.

The three-tier system created by this measure institutes progressive graduation from a learner's permit, to a provisional license, to a driver's license. A graduated system of driver licensing like this is the norm in the country. Hawaii is one of only six states without such a system.

Your Committee notes that statistics indicate that drivers under the age of nineteen continue to be involved in crashes that result in fatalities and injuries at twice the rate of the population as a whole. In Hawaii, forty-eight per cent of injury deaths among fifteen to nineteen year olds in the ten-year period between 1993 and 2002 were due to motor vehicle crashes. Your Committee finds that the high percentage of deaths among teen drivers in Hawaii is attributable to inexperience and inadequate driving skills. The intent of this measure is to reduce teen deaths due to negligent driving. The sad fact is that these tragedies can be easily avoided with a simple amendment to the laws.

Your Committee further finds that a graduated three-tier system would afford young drivers more time and experience behind the wheel under the supervision of a mature licensed driver. Your Committee sincerely believes that age, time, experience, maturity, and supervision are keys to driver safety for young people. Safe driving is a skill to be learned gradually over a period of time, like any other skill.

Your Committee has amended this measure by:

- (1) Clarifying the applicability of the provisional license to passenger vehicles and vehicles in the same statutory category;
- (2) Clarifying the requirements when the provisional licensee is driving between 11 p.m. and 5 a.m.;
- (3) Requiring all occupants of the vehicle to be restrained by a seat belt assembly as provided by law;
- (4) Providing that a provisional licensee cannot transport more than one unrelated person who is under the age of eighteen during the daytime and evening hours between 5 a.m. and 11 p.m.;
- (5) Deleting reference to motor vehicle collision as a grounds for suspension or revocation, on the recommendation of the HPD and concurred with by MADD;
- (6) Requiring the court to revoke the provisional license under specified circumstances rather than making it discretionary;
- (7) Adding requirements for driving for a holder of a temporary instruction permit; and
- (8) Making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2023, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2023, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 2625 Judiciary and Hawaiian Affairs on S.B. No. 2090

The purpose of this measure is to provide a prescription drug repository to receive and dispense donated prescription drugs to needy persons.

Testimony in support of this measure was submitted by the American Cancer Society. Testimony in opposition to this measure was submitted by the Department of Health and the Board of Pharmacy.

Your Committee finds that there is a substantial amount of unused yet safe prescription drugs that can be donated and provided to needy persons. With the high costs of prescription drugs forcing needy persons to decide between buying the prescription drugs they need or having a meal, your Committee finds that this measure will benefit the needy in Hawaii.

Your Committee has adopted the language that the American Cancer Society, the Department of Health, the Medicine Bank, and the Board of Pharmacy collaborated on and submitted. Specifically, your Committee amended this measure by amending existing statutory language rather than creating a new chapter. New sections were added to:

- (1) Chapter 328C to create a donated drug repository and record keeping provisions; and
- (2) Chapter 461 to provide for credit and reimbursement for handling returned drugs.

The following sections were amended:

- (1) Section 328C-1 to provide new definitions; and
- (2) Section 461-11 to provide procedures to pharmacists for handling donated drugs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2090, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2090, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 2626 (Joint/Majority) Judiciary and Hawaiian Affairs and Ways and Means on S.B. No. 2994

The purpose of this measure is to clarify the use tax law in light of the Hawaii Supreme Court decision of In the matter of Baker & Taylor, Inc. v. Director of Taxation.

This measure:

- (1) Clarifies when a seller is subject to the 0.5 per cent use tax;
- (2) Restores the imposition of taxes on goods purchased both within and outside the State; and
- (3) Clarifies that the use tax applies to sellers who acquire goods from outside the State and imports the product for resale in the State.

Testimony in support of this measure was received from the Department of Taxation (DTAX) and Hawaii Automobile Dealers Association representing franchised new vehicle dealers. Comments were received from the Tax Foundation of Hawaii.

According to testimony of DTAX, although there is no revenue impact from this measure, the amount of tax revenue at issue is approximately \$9 million annually starting this year and going forward, as well as \$27 million for the past three years due to amended returns.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2994, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 14. Noes, 1 (Hemmings). Excused, 5 (Aduja, Espero, Fukunaga, Ihara, Sakamoto).

SCRep. 2627 Judiciary and Hawaiian Affairs on S.B. No. 3017

The purpose of this measure is to establish a bill of rights for law enforcement officers.

Testimony in support of the measure was received from one individual. Testimony in opposition to the measure was received from the City and County of Honolulu, the Honolulu Police Department, the Hawaii Police Department, the Kauai Police Department, and the Maui Police Department.

Your Committee finds that this measure is designed to protect the constitutional and statutory rights of law enforcement officers by having in place clear procedures and guidelines in the event a law enforcement officer is the subject of a criminal or internal investigation. Although your Committee recognizes that law enforcement officers may be protected through a collective bargaining agreement with their employers, certain rights should be statutorily mandated to ensure the proper protection of these individuals. Your Committee emphasizes that the protections already available to an officer will remain intact and will not be abrogated or diminished by this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3017, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Kawamoto).

SCRep. 2628 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 3125

The purpose of this measure is to establish a candidate advisory council for the Board of Regents of the University of Hawaii.

Your Committee has deleted the contents of this measure and replaced it with provisions to propose a constitutional amendment to clarify the manner in which members of the Board of Regents are appointed.

This measure would provide that the Governor nominate regents from a pool of qualified candidates identified and recruited by a candidate advisory council as provided by law.

Testimony in support of this measure was received from the Association of Governing Boards of Universities and Colleges, the University of Hawaii Professional Assembly, and two individuals. Comments were received from the Governor of Virginia, Minnesota Legislative Coordinating Council, Midwest Higher Education Compact, and Midwest Higher Education Commission.

Your Committee finds that this measure, as amended, would strengthen the selection process for regents. The intent is to provide an independent screening body to assist in the nomination process to identify outstanding candidates.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3125, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3125, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Hogue). Excused, 3 (English, Fukunaga, Kawamoto).

SCRep. 2629 Commerce Consumer Protection and Housing on S.B. No. 2209

The purpose of this measure is to amend the laws relating to the State Boxing Commission.

Testimony in support of the measure was received from the State Boxing Commission.

This measure updates and conforms the chapter of the Hawaii Revised Statutes relating to the State Boxing Commission to the federally enacted Professional Boxing Safety Act of 1996.

Your Committee has amended the measure by including the position of an "executive officer" to administer licensing laws, rules, and orders on behalf of the Department of Commerce and Consumer Affairs and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2209, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2209, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2630 Commerce Consumer Protection and Housing on S.B. No. 2586

The purpose of this measure is to authorize the Board of Dental Examiners to issue a community service license for an eligible dentist or dental hygienist for the purpose of servicing low-income and uninsured communities within the State.

Specifically, this measure:

- (1) Permits the board to issue a community service license to practice dentistry or dental hygiene to individuals who are employed by a federally qualified health center, Native Hawaiian health systems center, or post-secondary dental auxiliary training program accredited by the American Dental Association Commission on Dental Accreditation;
- (2) Enumerates the specific requirements for the licensing of eligible dentistry or dental hygiene community service license candidates, including the process for renewal and revocation of licenses;
- (3) Authorizes a dentist or dental hygienist on active duty in the United States Army, Navy, Air Force, Public Health Service, or Veterans Administration who is practicing dentistry or dental hygiene at a federally qualified health center or Native Hawaiian health systems center to be eligible for a community service license; and
- (4) Clarifies that an individual shall be eligible to take an examination before the board upon submission of proper documentation and credentials, including but not limited to:
 - (A) A certificate or diploma from a college accredited by the American Dental Association Commission on Dental Accreditation; or
 - (B) A certificate or other evidence the board deems satisfactory to indicate passage of parts I and II of the examination of the National Board Dental Examination.

Testimony in support of this measure was submitted by the Department of Health, the State Council on Developmental Disabilities, the Board of Dental Examiners, the Hawaii Primary Care Association, Kokua Council, Hamakua Health Center, Good Beginnings Alliance, and the Hawaii Medical Service Association. Comments on this measure were also submitted by the Hawaii Dental Hygienists Association.

Your Committee finds that access to dental care for low-income or uninsured individuals within the State is severely limited. Currently, there are a small handful of non-profit federally qualified health centers in Hawaii which offer dental clinic services. Unfortunately, in Hawaii, children suffer from triple the number of incidences of baby bottle tooth decay, double the number of dental caries, as well as more than double the number of decayed and filled teeth. Additionally, more than 270,000 of Hawaii's residents are individuals without any dental insurance with 80,000 MedQuest insured adults also being without dental benefits.

Your Committee believes that the failure to provide for basic and preventive dental care can result in more serious health problems in the future which will translate into increased costs to the State. Your Committee further find that the number of dental professionals to staff non-profit health center dental clinics is deficient for our current needs. Although there are qualified out-of-state professionals who are willing to assist in these communities, the current law precludes their utilization without proper licensure within the State.

Your Committee determines that the need to service our needy communities requires the creation of an exception from normal licensing requirements in order to properly provide for the health and well-being of our residents. Your Committee also determines that the establishment of a community service license will facilitate the recruitment and retention of eligible dentists and dental hygienists from other states who may be willing to provide services to low-income or uninsured communities in our islands.

Accordingly, your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2586, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2586, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2631 Commerce Consumer Protection and Housing on S.B. No. 2682

The purpose of this measure is to require energy efficient water heating in new construction of dwelling units.

Testimony in support of the measure was received from the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy; the Public Utilities Commission; the Sierra Club; and a Kauai Council member. Testimony in opposition to the measure was received from the Hawaiian Electric Company. Offering comments on the measure were the Department of Business, Economic Development, and Tourism; the Hawaii Solar Energy Association; and the Gas Company.

Your Committee finds that this measure will decrease Hawaii's dependence on imported fossil fuels and encourage the increased use of renewable energy by requiring the installation of solar panel hot water systems in newly constructed dwelling units.

Your Committee has amended this measure by removing the section directing the Public Utility Commission to change its utility rebate rules, requirements, and programs to exclude new residential construction and by changing the effective date to July 1, 2030 in order to promote continuing discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2682, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2682, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2632 Commerce Consumer Protection and Housing on S.B. No. 2903

The purpose of this measure is to establish a system of registration for money transmitters.

This measure also helps to ensure that money transmitter operations are not being used to further unlawful purposes, and provides protection and recourse for consumers.

Testimony in support of this measure was submitted by the Office of the Lieutenant Governor, the Department of Commerce and Consumer Affairs, the Department of the Attorney General, and the Department of the Prosecuting Attorney of the City and County of Honolulu. Comments on the measure were submitted by the Non-Bank Funds Transmitters.

Your Committee finds that under the current law, there is no system of registration or regulation of money transmitters that are not otherwise regulated pursuant to the laws which apply to traditional financial institutions. Your Committee further finds that, although two money transmitters predominately control the marketplace, nationwide there are approximately eight thousand other businesses in the industry, six thousand of which are small businesses that either operate their own networks or are acting as one-person agencies conducting transactions on behalf of another money transmitter. Locally, it is impossible to identify the number of money transmitters doing business within the State due to a complete lack of information.

Your Committee also finds that an underlying concern associated with the utilization of money transmitter services is that these services are being or may be misused for the purposes of money laundering in furtherance of criminal activity. Therefore, your Committee determines that the institution of a registration requirement for money transmitters will not only protect the consumers by creating accountability within the industry, but will also assist law enforcement authorities in their efforts to identify and curb illegal activity. Your Committee also determines that further clarification is necessary to ensure that money transmitters clearly understand the duties imposed by this measure.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that a registrant that is a corporation, limited liability company, partnership, or other entity, shall include in its registration statement the state, and not the status, of its incorporation or formation;
- (2) Specifying that the definition for the term "money equivalent" is applicable when used in connection with a money transmission in which the customer provides the money transmitter or its authorized dealer with the money of one government, and the designated recipient is to receive the money of another government;

- (3) Specifying that, if the exchange rate for a money transmission to be paid in a foreign currency is fixed at the time the transaction is initiated, a money transmitter must provide the customer a receipt which discloses the rate of exchange for that transaction; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2903, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2903, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2633 Transportation, Military Affairs, and Government Operations on S.B. No. 2498

The purpose of this measure is to allow the Metropolitan Planning Organization (MPO), Executive Office on Aging, and Policy Board for Elder Affairs to communicate directly with the Governor and the legislature and to purchase supplies, equipment, and furniture, without prior approval of the department head.

Testimony in support of this measure was received from the Oahu Metropolitan Planning Organization. Testimony in opposition was received from the Department of Health, Department of Budget and Finance, and Executive Office on Aging.

Your Committee finds that the MPO is in a unique position in state government in that it is almost an autonomous advisory body. Therefore, the MPO should have a degree of administrative autonomy that is not normally accorded to other agencies.

Your Committee has amended this measure by deleting references to the Executive Office on Aging and Policy Board of Elder Affairs, and giving the MPO autonomy to rent or occupy office space and other needed space.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2498, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2498, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

SCRep. 2634 Ways and Means on S.B. No. 2080

The purpose of this measure is to enhance hydrogen production in Hawaii through an income tax credit.

This bill provides a twenty per cent tax credit for the total cost of a hydrogen system placed into service after December 31, 2004 and before January 1, 2014 that has an unspecified nameplate capacity.

Your Committee finds that hydrogen is an abundant element as well as a viable alternative to hydrocarbon fuels, such as gasoline. This measure seeks to reduce the State's reliance on imported fossil fuels by enhancing the production of hydrogen in the State.

Your Committee has amended this measure by:

- (1) Leaving blank the percentage amount of the tax credit; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2080, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2080, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2635 Ways and Means on S.B. No. 2128

The purpose of this measure is to extend the authorization of special purpose revenue bonds to finance a commercial production facility for the conversion of bagasse and other biomass to energy products.

Your Committee finds that Worldwide Energy Group, the beneficiaries of the special purpose revenue bonds, has encountered difficulties completing the project development on schedule. Considering that the facility will assist the sugar industry to sustain jobs and enhance the agricultural industry, this extension is warranted and in the public interest.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2128 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2636 Ways and Means on S.B. No. 2134

The purpose of this measure is to take affirmative steps to protect Hawaii's environment against invasive species.

Specifically, this measure establishes the Emergency Environmental Workforce (Workforce) to provide labor to assist the counties in combating invasive species and appropriates funds to support the activities of the Workforce.

Your Committee finds that agencies, organizations, and landowners do not have sufficient resources to take on all of the invasive species threats to native ecosystems. The establishment of a permanent Emergency Workforce Program will help to address those threats in terms of manpower and level of emergency response. Invasive species may impact both the State's lands and waters. They can also detrimentally affect the eco-tourism industry by diminishing the State's native species.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2134 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2637 Ways and Means on S.B. No. 2247

The purpose of this measure is to appropriate funds to fight specific types of invasive species.

Your Committee finds that invasive species are a major threat to Hawaii's agricultural industry. In particular, local livestock has suffered from fireweed, an extremely poisonous and aggressive weed that invades overgrazed and drought ridden pastures. Fireweed is toxic to cattle, horses, and other livestock and causes liver and neurological damage that can kill within weeks or months of ingestion.

Other invasive species that have caused havoc in the farming community include the coqui frog, fire ant, and the nettle caterpillar.

This bill appropriates funds to assist the agricultural industry in fighting certain invasive species that are very damaging, including the fireweed, coqui frog, fire ant, myrica faya tree, and the nettle caterpillar.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2247, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2638 Ways and Means on S.B. No. 2469

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for a third boiler at the HPOWER waste-to-energy plant in Honolulu.

Your Committee finds that the HPOWER waste-to-energy plant is one of the most successful public works projects ever completed in the State. HPOWER's two-boiler system, however, cannot handle the demands placed on the system if a boiler is in maintenance or a breakdown occurs.

This bill provides the financing for a third boiler to ensure continuous operation of the HPOWER plant, as well as to increase the plant's capability to accommodate the additional solid waste generated in the community since HPOWER was first designed and put into operation.

Your Committee has amended the bill by changing the refunding date under section 4 of the bill to coincide with the lapsing date under section 5 of the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2469, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2469, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2639 Ways and Means on S.B. No. 2949

The purpose of this measure is to clarify the application of the voluntary response program to assist in the clean up of contaminated property.

Specifically, the measure provides:

- (1) That the Director of Health may waive or reduce voluntary response program fees for public or nonprofit agencies participating in the program if found to be in the public interest;
- (2) That the Director of Health may hire civil service exempt personnel to support all voluntary activities under chapter 128D, Hawaii Revised Statutes (Environmental Response Law), not just the voluntary response programs; and
- (3) That the Director of Health may grant an exemption to landowners from liability under the Environmental Response Law for substances occurring in nature at levels that exceed either a risk-based standard of not more than one additional cancer case per one million or a hazard quotient of one.

Your Committee finds that the Voluntary Response Program has proven successful in encouraging owner and prospective purchasers of contaminated property to work voluntarily and cooperatively with the Department of Health to assure that proper investigation and cleanup of contamination occurs prior to selling or developing the property. However, statutory changes are needed to ensure greater effectiveness of the program.

Your Committee has amended this measure by changing the effective date to July 1, 2030 to promote further discussion and development.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2949, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2949, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2640 Ways and Means on S.B. No. 2996

The purpose of this measure is to reduce the fuel tax on alternative fuels by an unspecified amount.

To accomplish this, this measure amends section 243-4, Hawaii Revised Statutes, to reduce the tax by an unspecified amount from July 1, 2004 to June 30, 2009.

Your Committee believes that reducing the tax on alternative fuels will promote the development of locally produced alternative fuels, thereby diversifying local energy supplies and providing additional economic and health benefits for the State.

Upon further consideration, your Committee has amended this bill by making the effective date July 1, 2020 for the purpose of promoting further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2996, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2996, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2641 (Majority) Ways and Means on S.B. No. 3092

The purpose of this measure is to provide for better solid waste management control in this State.

Specifically, this bill appropriates \$1,000,000 to augment the Department of Health's operating budget to expand its solid waste management enforcement and monitoring capabilities.

Your Committee finds that, according to the Joint Legislative Task Force on Waste Management and Recycling, the Solid and Hazardous Waste Branch of the Department of Health is in serious need of additional resources to adequately perform its core functions relating to oversight, accountability, and enforcement. Currently, there is only one landfill engineer to oversee eleven operating landfills and hundreds of closed landfills statewide.

Your Committee has amended this measure by deleting the \$1,000,000 as the amount specified and leaving the amount blank. Your Committee has also changed the effective date to July 1, 2030 to promote further discussion and development on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3092, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3092, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Aduja, Sakamoto).

SCRep. 2642 Ways and Means on S.B. No. 3153

The purpose of this measure is to appropriate general funds to the Research Corporation of the University of Hawaii for a pilot project in bioremediation research on former pineapple lands in West Maui.

Furthermore, this bill conditions the release of funds on non-state funds being matched through Maui Ag Partners, who will conduct the research on determining the best management practices for the bioremediation of the contaminated soil.

Your Committee finds that the public-private venture contemplated under this bill offers an array of expertise to develop the best of practices that can then be passed along to the farming community on other pineapple lands throughout the State.

Your Committee has amended this measure by changing the appropriation to a blank figure to promote continued discussion of the matter.

Your Committee has also amended this measure by making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3153, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3153, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2643 Ways and Means on S.B. No. 3162

The purpose of this measure is to provide that when tax credits for the installation of renewable energy technology systems exceed a taxpayer's income tax liability, the excess may be carried over and used as a credit toward the taxpayer's liability in subsequent years, until the tax credit is exhausted.

Your Committee amended this measure by adding a new section to Chapter 241, Hawaii Revised Statutes, to enable franchise taxpayers to obtain the renewable energy technology income tax credit provided under section 235-12.5, Hawaii Revised Statutes, for all taxable years beginning after December 31, 2002, just as its predecessor (the Energy Conservation Credit, under section 235-12, Hawaii Revised Statutes) was available to financial institutions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3162, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3162, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2644 (Majority) Ways and Means on S.B. No. 3207

The purpose of this measure is to change the ethanol investment tax credit to an ethanol facility tax credit.

Your Committee finds that changing the ethanol investment tax credit to an ethanol facility tax credit will encourage the construction of large-capacity ethanol production facilities in the State. The expected construction will not only benefit the building industry and in turn the State's economy, but will dramatically impact the use of alternative fuels to ultimately provide a cleaner environment and reduce the State's dependence on fossil fuels.

Your Committee has amended the bill:

- (1) To clarify the applicability of section 263A of the Internal Revenue Code;
- (2) By changing the effective date to July 1, 2030 to facilitate further discussion; and
- (3) By making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3207, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3207, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Hemmings, Slom). Excused, 2 (Kawamoto, Trimble).

SCRep. 2645 (Majority) Ways and Means on S.B. No. 2748

The purpose of this measure is to strengthen and make permanent the legislation providing for payment of drug demand reduction assessments by certain offenders.

Specifically, this measure:

- (1) Expands the number of offenses for which the assessments may be imposed and makes those assessments mandatory;
- (2) Adds interest accrued on assessments to the special fund into which the assessments are deposited;

- (3) Requires restitution, probation, and crime victim compensation fees to be paid prior to any monetary assessment;
- (4) Places the burden on the offender to show an inability to pay fees; and
- (5) Deletes the sunset provision by which the authority to impose drug demand reduction assessments would otherwise expire on June 30, 2004.

Your Committee finds that the main purpose of the drug demand reduction assessments is to supplement the funding for drug treatment and other drug demand reduction programs. It seems fair and right that those who violate drug and alcohol laws, by distributing or using illegal narcotic drugs or abusing alcohol, should be required to contribute to programs that treat drug users and try to prevent the illegal use of drugs in our community.

Thus, the intent of this bill is not to impose a fine or to exact punishment on persons convicted of drug offenses. Rather, the drug demand reduction assessments is a remedial measure, intended to help correct the evils of drug abuse and addiction for which the offender is partly responsible.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2748, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Aduja, Sakamoto).

SCRep. 2646 (Majority) Ways and Means on S.B. No. 2758

The purpose of this measure is to preserve the public land trust.

Specifically, this measure prohibits the State from selling, exchanging, or otherwise alienating lands contained in the public land trust, except for the sale, exchange, or other alienation of such lands to the Department of Hawaiian Home Lands.

Your Committee finds that the public land trust constitutes a legacy to the Hawaiian people. Passage of this measure will ensure that this legacy will not be diminished.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2758, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Aduja, Sakamoto).

SCRep. 2647 (Majority) Ways and Means on S.B. No. 2763

The purpose of this measure is to support the recruitment and retention of highly qualified, competent, and experienced jurists for service as judges and justices.

More specifically, this measure appropriates moneys for salary increases as determined by the Judicial Salary Commission.

Your Committee finds that pursuant to Act 123, Session Laws of Hawaii 2003, the Commission's salary recommendations become effective July 1, 2004, unless disapproved by adoption of a concurrent resolution by the Legislature prior to adjournment sine die of this legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2763 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Aduja, Sakamoto).

SCRep. 2648 (Majority) Ways and Means on S.B. No. 2834

The purpose of this measure is to appropriate funds to satisfy claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

Your Committee finds that this measure contains twenty-nine claims that total \$6,399,988.10. Your Committee believes that these appropriations are necessary to satisfy claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

Your Committee has amended the measure by:

- (1) Changing the fiscal year of the legislative appropriation from which the Hawaii Tourism Authority v. Pacific Motivation Advisors, Inc., et al settlement (section 5 of the measure) is to be paid from fiscal year 2004-2005 to fiscal year 2003-2004; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2834, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2834, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 2 (Aduja, Sakamoto).

SCRep. 2649 Ways and Means on S.B. No. 2840

The purpose of this measure is to increase cigarette tax revenues by capturing tax revenues that are being evaded via the Internet, telephone sales, or mail order sales.

Your Committee finds that due to this State's high cost of cigarettes, smokers are gravitating toward telephone, mail, Internet, and other on-line cigarette purchases. These unregulated sources for cigarettes are resulting in a loss of revenue to the State and are a source from which minors can purchase cigarettes.

Your Committee believes that this measure will help in preventing further revenue loss and underage purchases by:

- (1) Adding a new section to prohibit the distribution of untaxed cigarettes via telephone, mail order, the Internet, or other on-line sources;
- (2) Clarifying the current law to provide more measures to regulate cigarette sales and provide criminal sanctions for noncompliance; and
- (3) Requiring an external notice to be placed on the shipping container stating that this State prohibits the sale of cigarettes to minors and that the buyer is responsible for paying all applicable state taxes.

Your Committee has amended this measure by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2840, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2840, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2650 Ways and Means on S.B. No. 2841

The purpose of this measure is to require every person or entity that sells cigarettes or other tobacco products to consumers to hold a retail tobacco permit.

Specifically, the bill requires all retailers to obtain a retail tobacco permit beginning July 1, 2005, and provides that it shall be unlawful for a retailer to sell cigarettes or other tobacco products, effective October 1, 2005, without a retail tobacco permit in full force and effect.

In addition, the bill:

- (1) Creates the offenses of unlawful tobacco retailing in the first and second degree;
- (2) Subjects holders of retail tobacco permits to the inspection and investigation requirements of the tobacco tax law;
- (3) Authorizes the Department of Taxation to suspend, revoke, or decline renewal of a retail tobacco permit or a license for good cause; and
- (4) Adds definitions of "business location", "consumer", "permittee", "retail tobacco permit", "retail tobacco permit holder", "retail sale" or "tobacco retailing", and "retailer".

Your Committee finds that Hawaii's current cigarette tax and tobacco tax licensing law applies only to wholesalers or dealers, not to retail sellers, while forty states have some form of retail tobacco permit requirement. Your Committee believes that the retail tobacco permit requirement will assist law enforcement in halting illegal sales of cigarettes. Reducing illegal sales of cigarettes or other tobacco products will not only benefit legal retailers, but also is likely to reduce illegal sales to minors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2841, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2651 Ways and Means on S.B. No. 2975

The purpose of this measure is to change the two part-time board members of the Hawaii Paroling Authority to full-time board members.

Your Committee finds that, currently, only the Chair of the Hawaii Paroling Authority is a full-time board member. There are two part-time board members, and since the inception of the paroling authority in 1976, the status of the board members has not changed.

Since 1980, the parole population has grown from 437 to 2,622 in 2003. Likewise, the number of annual parole-related hearings has increased from approximately 350 to 2,936. Thus, your Committee believes that changing the two part-time positions to full-time status will aid the paroling authority in effectively and efficiently performing its duties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2975 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2652 Ways and Means on S.B. No. 2976

The purpose of this measure is to reduce overcrowding in Hawaii's correctional facilities.

This measure accomplishes this by making an emergency appropriation to the Department of Public Safety to allow the department to:

- (1) Contract for additional correctional beds on the mainland and at the federal detention center; and
- (2) Pay for transportation costs to transfer inmates to mainland correctional facilities.

Your Committee amended this measure by deleting the amount of the appropriation to facilitate continuing discussion of this issue and to obtain a more accurate determination of current costs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2976, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2976, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2653 (Majority) Ways and Means on S.B. No. 2989

The purpose of this measure is to impose civil penalties and injunctions on a tax return preparer who supports unrealistic positions on tax returns and on a promoter of abusive tax shelters.

Your Committee finds that the overall duty of a preparer is to prepare a proper return. The preparer can generally rely in good faith on information furnished by the taxpayer without verification. The preparer is not required to audit, examine, or review books and records, business operations, documents, or other evidence in order to independently verify the taxpayer's information.

The preparer, however, cannot ignore the implications of the information furnished to, or actually known by the preparer. If the information appears to be incorrect or incomplete, the preparer must make reasonable inquiries as to whether the taxpayer has the proof required to substantiate the taxpayer's claims.

This bill imposes penalties and injunctive relief to prevent certain recurring prohibited conduct that has surfaced in the accounting community. The penalties and injunctive relief under this bill, follows the standard established under the Internal Revenue Code, sections 6694 and 7407.

The bill also imposes penalties and injunctive relief for promoting an abusive tax shelter. The scope of the penalty is broad to discourage abusive shelters that tend to be one step ahead of the law.

Your Committee has amended the bill to correct inadvertent changes made in the earlier draft of this bill, and by making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2989, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2989, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 3 (Kim, Slom, Trimble). Excused, 2 (Aduja, Sakamoto).

SCRep. 2654 Ways and Means on S.B. No. 2992

The purpose of this measure is to allow the Department of Taxation to recover costs associated with prosecutions for tax violations from defendants upon their convictions.

Your Committee finds that this measure would provide for cost recovery similar to that allowed in federal tax cases.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2992, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2655 (Majority) Ways and Means on S.B. No. 3069

The purpose of this measure is to transfer exclusive management of the entire state capitol building and grounds, including parking facilities, to the joint legislative management committee.

Your Committee finds that there are management concerns regarding the state capitol building. Concerns about public accessibility, such as parking and access to the building, have been expressed by the public and have not been addressed by the Department of Accounting and General Services, which currently manages the building.

Your Committee believes that this measure will provide the necessary means to address many of the management concerns regarding the state capitol building.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3069, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3069, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Hemmings, Slom). Excused, 2 (Aduja, Sakamoto).

SCRep. 2656 Ways and Means on S.B. No. 3098

The purpose of this measure is to provide funding for low-interest mortgage loans for lessees at Kikala-Keokea.

The bill accomplishes this by:

- (1) Clarifying the loan limits and borrower qualifications for the Kikala-Keokea housing revolving fund; and
- (2) Authorizing the issuance of general obligation bonds to fund low-interest home construction loans for Kikala-Keokea lessees and a self-help housing project.

Your Committee finds that over the past fifteen years, the Legislature has been engaged in an effort to assist families that were displaced from their homes in Kalapana due to lava flows by relocating them to the Kikala-Keokea region of the island of Hawaii. Thus far, the State has negotiated long-term leases with a majority of these families and will complete the installation of infrastructure for the area this year. Once the infrastructure improvements are completed, home building for the displaced families may finally be commenced. To facilitate this long awaited occurrence, your Committee finds it appropriate to provide funding for the Kikala-Keokea Housing Revolving Fund, so that low interest loans can be made available to the Kikala-Keokea leaseholders for home construction.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3098 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, Sakamoto, Tsutsui).

SCRep. 2657 (Majority) Ways and Means on S.B. No. 3104

The purpose of this measure is to provide comprehensive public funding for candidates seeking election to office in the state house of representatives who voluntarily agree to abide by campaign contribution and campaign expenditure limits and meet other criteria.

Your Committee finds that many citizens feel a growing sense of frustration with our election process because of the practices of soliciting, raising, and spending large private campaign contributions. Also, reliance on private contributions makes it difficult for individuals without access to large private contributions to participate meaningfully in the electoral process. Your Committee believes this measure will begin to address some of these issues by evening out the playing field for all candidates, whether they are privately or publicly funded.

Your Committee has amended this measure by delaying the effective date until July 1, 2040, in order to continue discussion of the issues raised.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3104, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3104, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 3 (Kawamoto, Hemmings, Slom). Excused, 3 (Aduja, Sakamoto, Tsutsui).

SCRep. 2658 (Majority) Ways and Means on S.B. No. 3198

The purpose of this measure is to make certain amendments relating to the election campaign contributions and expenditures laws.

Your Committee finds that this measure proposes a number of amendments to part XII of chapter 11, Hawaii Revised Statutes (relating to election expenses), including the following provisions:

- (1) Deleting the power of the Campaign Spending Commission to censure candidates for failing to abide by the code of fair campaign practices;
- (2) Prohibiting campaign contributions in cash over \$100;
- (3) Prohibiting persons who enter into government contracts from making political contributions twelve months prior to the notice of the availability of a contract and twenty-four months after the completion of the performance of the contract; and
- (4) Requiring any moneys from the Hawaii election campaign fund to be used for the operations of the Campaign Spending Commission to be appropriated pursuant to a budget appropriation act.

Your Committee has changed the effective date of this measure to July 1, 2040 to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3198, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3198, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 3 (Aduja, Sakamoto, Tsutsui).

SCRep. 2659 Ways and Means on S.B. No. 2242

The purpose of this measure is to remove a tax barrier to employee stock ownership.

This bill creates an exemption from the general excise tax for management companies that contract to provide managerial and operational services to companies that engage in the provision of medical services in order to facilitate the creation of an employee stock ownership plan.

To accomplish this purpose, this measure amends section 237-24.7, Hawaii Revised Statutes, to specifically add this type of management company to those that are exempt from the general excise tax.

Upon further consideration, your Committee has amended this bill to make the effective date July 1, 2020, to promote further discussion. Your Committee has also made technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2242, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2242, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Aduja, Kanno, Sakamoto, Tsutsui).

SCRep. 2660 (Majority) Ways and Means on S.B. No. 2105

The purpose of this measure is to establish a procedure for the resolution of condominium management disputes in an expeditious manner.

Your Committee on Ways and Means finds that presently there is a procedure for the mediation of condominium management disputes; however, the failure of resolving the dispute by mediation leaves no expeditious method of resolution. This measure would provide for a complaint and hearing process overseen by the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs. The process contains built-in time constraints to expedite the dispute resolution.

Your Committee has made technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2105, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2105, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 2 (Slom, Trimble). Excused, 4 (Aduja, Kanno, Sakamoto, Tsutsui).

SCRep. 2661 Ways and Means on S.B. No. 2210

The purpose of this measure is to repeal chapter 514A, Hawaii Revised Statutes, recodify the laws governing condominium property regimes, and make an appropriation for post bill passage educational activities.

Your Committee finds that this measure is the culmination of a massive effort to replace the present chapter 514A, Hawaii Revised Statutes, relating to condominium property regimes, with a revised, updated codification of the law on that subject matter. This effort was undertaken by the Real Estate Branch, Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

This measure also makes an appropriation out of the condominium management education fund for the sum of \$150,000 to conduct post bill passage educational activities.

Your Committee has made some technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2210, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2210, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Aduja, Kanno, Sakamoto, Tsutsui).

SCRep. 2662 (Majority) Ways and Means on S.B. No. 2528

The purpose of this measure is to support and make modifications to the loss mitigation grant program.

This bill:

- (1) Appropriates funds for the program; and
- (2) Modifies program criteria relating to matching fund percentages and reimbursable costs.

The State's loss mitigation grant program was established to encourage the installation of wind resistive devices in residential property. The program reimburses homeowners for fifty per cent of their costs to purchase, install, and inspect wind resistive devices, up to a maximum amount of \$2,100.

This measure reduces the State's match from fifty per cent to thirty-five per cent of the homeowner's cost, consistent with the thirty-five per cent solar energy system tax credit, repeals the authorization for reimbursement of inspection costs, and appropriates \$1,000,000 in general revenues for the program.

Your Committee finds the measure will reduce the program's administrative costs and enable the award of a greater number of grants.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2528, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Hemmings). Excused, 4 (Aduja, Kanno, Sakamoto, Tsutsui).

SCRep. 2663 (Majority) Ways and Means on S.B. No. 2595

The purpose of this measure is to prohibit persons from engaging in mental health counseling or holding themselves out as mental health counselors unless they are licensed as mental health counselors by the Department of Commerce and Consumer Affairs.

Furthermore, this bill exempts professionals whose practice overlaps with mental health counseling, the clergy, students and interns, and government counselors from the licensure law. This bill also establishes educational, experiential, and examination requirements for persons to obtain a license.

Additionally, this measure appropriates general funds to the Department of Commerce and Consumer Affairs to implement the licensing program.

Your Committee finds that a greater supply of qualified mental health professionals is needed to enable the State to meet the demands imposed by the Felix consent decree on the present capacity of the mental health delivery system serving children in Hawaii. The licensing of mental health counselors will assist the State in meeting those demands.

Your Committee has made technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2595, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2595, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Trimble). Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2664 Ways and Means on S.B. No. 2839

The purpose of this measure is to transfer from the Department of Commerce and Consumer Affairs to the Department of the Attorney General the duty to oversee the registration of charitable organizations and their professional solicitors and professional fundraising counsel that intend to solicit funds from the public.

Specifically, this bill prohibits a professional solicitor or professional fundraising counsel from contracting with a charitable organization unless the professional solicitor or professional fundraising counsel is registered with the Attorney General.

Furthermore, this bill prohibits a professional solicitor or professional fundraising counsel from engaging in solicitation or fundraising activities until the contract between the professional solicitor or professional fundraising counsel and the charitable organization is filed with the Attorney General.

This measure also gives the Attorney General the power to revoke, suspend, or refuse the registration of any charitable organization, professional solicitor, or professional fundraising counsel for violations of the registration law.

This measure also requires a professional solicitor to file a financial report for the solicitation campaign with the Attorney General.

Additionally, this measure raises registration fees, renewal fees, and bond amounts for professional solicitors and professional fundraising counsel. This bill also creates a special fund to be used by the Attorney General to oversee the solicitation of funds for charitable purposes, and exempts the special fund from its pro rata estimate of central service expenses.

Your Committee finds that the present law is aimed at protecting the public from charitable organizations and their professional solicitors and professional fundraising counsel. However, recent media attention indicates that charitable organizations themselves are sometimes taken advantage of by a few professional fundraisers. This bill is necessary to provide some measure of protection to these charitable organizations.

Your Committee has amended this measure by conforming other sections of the law to reflect regulatory oversight by the Attorney General rather than the Director of Commerce and Consumer Affairs. Furthermore, your Committee has added provisions to the bill to transfer the rights, powers, functions, duties, appropriations, and other property from the Department of Commerce and Consumer Affairs to the Department of the Attorney General and to ensure that present rules and policies remain in force until replaced. Your Committee has also made technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2839, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2839, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2665 Ways and Means on S.B. No. 2890

The purpose of this measure is to authorize the payment of a flat fee of \$400 for a physician who is appointed by the Insurance Commissioner to serve on a review panel to review a managed care plan's final internal determination.

The bill also exempts the payment of the fee and the selection of the physician to the panel from the state procurement code pursuant to chapter 103D, Hawaii Revised Statutes.

Your Committee finds that the payment authorized in this measure will help to ensure adequate participation by qualified physicians on external review panels that review health coverage disputes. Your Committee believes that the cost of paying these fees is not expected to be significant as these external review panels meet less than twenty-five times a year.

Upon further consideration, your Committee has amended this bill to clarify that the fee paid is for service on each review panel to which a physician is appointed. In addition, your Committee has reduced the amount of the fee from \$400 to \$200.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2890, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2890, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Espero, Trimble).

SCRep. 2666 Ways and Means on S.B. No. 2906

The purpose of this measure is to repeal the filing fee for the issuance of certificates of good standing.

Your Committee notes that in order to do business in the State, foreign entities, including corporations, nonprofit corporations, partnerships, limited liability partnerships, limited partnerships, and limited liability companies, are required to file a certificate of

good standing with the Department of Commerce and Consumer Affairs. The present cost for the certificate in all cases is \$25. To encourage foreign entities to engage in business in the State, this measure repeals the fee for the certificates.

Your Committee has amended this measure by reducing the cost of filing a certificate of good standing from \$25 to \$10, rather than repealing it altogether.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2906, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2906, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Espero, Trimble).

SCRep. 2667 (Majority) Ways and Means on S.B. No. 2926

The purpose of this measure is to increase the bond authorization amount for the Hula Mae Multi-Family Housing Program from \$200,000,000 to \$300,000,000.

Your Committee finds that there is a need for affordable rental housing throughout the State. Adequate resources to finance the construction of more rental units, however, is limited. The Hula Mae Multi-Family Program provides below market rate, interim, or permanent financing to developers or owners of affordable rental projects. To date, the Housing and Community Development Corporation of Hawaii has issued bonds totaling \$74,713,000 to finance the construction and acquisition/rehabilitation of four hundred seventeen rental units on three islands. The Corporation has an outstanding commitment for \$20,000,000 for a project in Iwilei and a pending project request of \$100,000,000 in Kalaeloa. These projects may reduce the remaining bond authorization level to approximately \$5,000,000.

The additional bond authorization under this bill will allow the Housing and Community Development Corporation of Hawaii to facilitate the construction of more affordable rental housing projects in the State.

Your Committee has amended the bill by:

- (1) Reducing the bond authorization amount from \$300,000,000 to \$250,000,000;
- (2) Changing the effective date to July 1, 2020 for purposes of furthering discussion; and
- (3) Making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2926, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2926, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Hemmings). Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2668 Ways and Means on S.B. No. 2927

The purpose of this measure is to allow the state and county housing agencies to protect their equity interests in non-judicial foreclosures of public housing properties.

The bill also clarifies the priority of a housing agency's liens in a foreclosure, and authorizes the agency to purchase a foreclosed property by credit bid.

Your Committee finds that the sale of affordable housing properties sponsored or assisted by the Housing and Community Development Corporation of Hawaii and county housing agencies are subject to a buyback restriction, a shared appreciation equity, and other types of liens. Additionally, the Housing and Community Development Corporation of Hawaii and county housing agencies have provided deferred sales price mortgages to assist low or moderate-income homebuyers in purchasing a first home.

These government interests, however, are not protected in a non-judicial foreclosure of affordable housing properties. The Corporation and county housing agencies do not receive sufficient notice of such foreclosure proceedings to adequately prepare bid authorizations to protect these equity interests.

This bill provides the Housing and Community Development Corporation of Hawaii and county agencies with thirty-days notice of non-judicial foreclosures so that they may participate in the proceedings. By doing so, the Corporation and county housing agencies can recoup the value of otherwise lost equity interests to build more affordable housing projects or allow the foreclosed property to be re-sold to other first-time homebuyers, including renters participating in homeownership option programs.

Your Committee has amended the bill by extending the effective date to July 1, 2020, to allow for more discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2927, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2927, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2669 Ways and Means on S.B. No. 2928

The purpose of this measure is to repeal the Rental Housing Trust Fund Advisory Commission (Advisory Commission).

The measure also converts the Housing and Community Development Corporation of Hawaii Board of Director position currently filled by the Chair of the Commission to an at-large position.

Your Committee finds that the Commission's role is to advise and inform the Housing and Community Development Corporation of Hawaii (Corporation) on matters concerning the administration of the Rental Housing Trust Fund (Fund). Administrative responsibility for the Fund, however, rests with the Corporation. Consequently, housing developers seeking Fund loan approvals must make presentations to both the Commission and the Corporation. This measure eliminates this redundancy and waste of resources by repealing the Advisory Commission.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2928 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2670 Ways and Means on S.B. No. 3049

The purpose of this measure is to lessen the financial net worth and reserve requirements on nonprofit educational foundations or nonprofit organizations that seek to have their charitable gift annuity agreements, under which annuities are paid to donors, exempted from regulation as life insurance under the insurance code.

Specifically, this bill reduces minimum net worth requirements from \$5,000,000 to \$100,000. Additionally, this bill replaces the requirement that the organization maintain a separate annuity fund with at least one-half of the value of the annuity with a new requirement that the organization maintain segregated assets equal to the higher of \$100,000 or the sum of the reserves on its outstanding charitable gift annuity agreements and a surplus of ten per cent of the reserves.

Your Committee finds that current law precludes many small but meritorious nonprofit organizations from utilizing charitable gift annuity agreements as a fundraising tool. This bill will enable more local nonprofit organizations to enter into charitable gift annuity agreements with donors and thereby encourage more local citizens to donate to local nonprofit organizations.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2020 to facilitate continuing discussions on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3049, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3049, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2671 Ways and Means on S.B. No. 1302

The purpose of this measure is to provide an emergency appropriation to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 10, institutional, health, and correctional workers for fiscal biennium 2003-2005.

This measure also funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for institutional, health, and correctional workers who are excluded from collective bargaining for fiscal biennium 2003-2005.

Your Committee determines that the emergency appropriation in this measure is necessary to ensure that adequate funds are available to compensate the employees of unit 10 for the entire fiscal biennium of 2003-2005 and will support the Governor's and the Legislature's commitment to address retention and morale issues associated with unit 10 through increased compensation provided for in the arbitrated settlement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1302, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2672 Ways and Means on S.B. No. 2541

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 13, professional and scientific employees, who cannot be included in any of the other bargaining units.

This measure also funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for professional and scientific employees, who cannot be included in any other bargaining unit, and who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit 13 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2541, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2673 Ways and Means on S.B. No. 2542

The purpose of this measure is to fund certain collective bargaining agreements.

Specifically, this bill funds for fiscal year 2004-2005 all collective bargaining cost items in the agreements negotiated with the exclusive bargaining representative of collective bargaining unit (2), supervisory employees in blue collar positions; bargaining unit (3), nonsupervisory employees in white collar positions; bargaining unit (4), supervisory employees in white collar positions; bargaining unit (6), educational officers and other personnel of the department of education under the same pay schedule; bargaining unit (8), personnel of the University of Hawaii and the community college system, other than faculty; and bargaining unit (13), professional and scientific employees, who cannot be included in any other bargaining units.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and under the same compensation plans as those officers and employees within collective bargaining units (2), (3), (4), (6), (8), and (13).

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for units (2), (3), (4), (6), (8), and (13) will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2542, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2674 Ways and Means on S.B. No. 2543

The purpose of this measure is to fund for fiscal year 2004-2005 all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 2, supervisory employees in blue collar positions.

Additionally, this measure also funds for fiscal year 2004-2005 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for supervisory employees in blue collar positions who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit 2 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2543, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2675 Ways and Means on S.B. No. 2544

The purpose of this measure is to fund for fiscal year 2004-2005 all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 3, nonsupervisory employees in white collar positions.

In addition, this measure funds for fiscal year 2004-2005 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for nonsupervisory employees in white collar positions who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit 3 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2544, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2676 Ways and Means on S.B. No. 2545

The purpose of this measure is to fund arbitrated salary increases for collective bargaining unit 4 (supervisory employees in white collar positions) and supervisory employees excluded from collective bargaining.

Since collective bargaining negotiations are now on-going between the State and collective bargaining unit 4, this measure serves as a vehicle to fund any possible salary increases if an agreement is reached during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2545, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2677 Ways and Means on S.B. No. 2546

The purpose of this measure is to fund for fiscal year 2004-2005 all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 6, educational officers and other personnel of the department of education under the same pay scale.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for educational officers and other personnel under the same compensation plan who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit 6 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2546, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2678 Ways and Means on S.B. No. 2547

The purpose of this measure is to fund for fiscal year 2004-2005 all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 8, personnel of the University of Hawaii and the community college system, other than faculty.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for personnel of the University of Hawaii and the community college system, other than faculty who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit 8 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2547, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2679 Ways and Means on S.B. No. 2548

The purpose of this measure is to fund for fiscal year 2004-2005 all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 9, registered professional nurses.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for registered professional nurses who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit 9 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2548, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2680 Ways and Means on S.B. No. 2549

The purpose of this measure is to fund for fiscal year 2004-2005 all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 1, nonsupervisory employees in blue collar positions.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for nonsupervisory employees in blue collar positions who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit 1 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2549, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2681 Ways and Means on S.B. No. 2550

The purpose of this measure is to appropriate funds for all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 5 (Teachers).

Additionally, this measure appropriates funds for salary increases and other cost adjustments for teachers and other personnel of the Department of Education who are excluded from collective bargaining.

Your Committee finds that these appropriations are necessary as negotiations between the State and the exclusive bargaining representative for unit 5 (Teachers) are ongoing and will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2550 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2682 Ways and Means on S.B. No. 2551

The purpose of this measure is to appropriate funds through several means of financing to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 7.

Furthermore, this bill also appropriates similar funds for salary increases and other cost adjustments authorized by law for state officers and employees excluded from collective bargaining.

Your Committee finds that this measure appropriates funds for faculty of the University of Hawaii and the community college system.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2551 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2683 Ways and Means on S.B. No. 2552

The purpose of this measure is to make an appropriation to fund all collective bargaining cost items for employees in collective bargaining unit 9.

Specifically, this measure makes an appropriation to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representatives of collective bargaining unit 9 for employees in the executive and judiciary branches. It also makes an appropriation for salary increases and other cost adjustment for employees excluded from collective bargaining.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2552, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2684 Ways and Means on S.B. No. 2554

The purpose of this measure is to fund collective bargaining increases negotiated for firefighters (unit 11).

Specifically, this measure funds:

- (1) Authorizations and appropriations for all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 11, firefighters; and
- (2) The salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

No specific sums have yet been appropriated or authorized from the sources of funding indicated in this measure, your Committee, however, believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as collective bargaining negotiations will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2554 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2685 Ways and Means on S.B. No. 2556

The purpose of this measure is to provide the funds necessary for fiscal year 2004-2005 to cover any salary increases that may be authorized for employees of the Office of the Auditor, the Hawaii State Ethics Commission, the Office of the Legislative Reference Bureau, and the Office of the Ombudsman.

Your Committee finds that salary increases for the staff of the four legislative agencies have historically been aligned with collective bargaining agreements reached between the state and public employee bargaining units. Since collective bargaining negotiations are now on-going, this measure serves as a vehicle to fund any possible salary increases, if an agreement is reached during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2556 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2686 Ways and Means on S.B. No. 2355

The purpose of this measure is to clarify certain issues concerning qualification for health insurance benefits as retirees.

Specifically, the bill provides that certain public employees with credited service prior to July 1, 1996, who leave state or county employment but subsequently return to public service, shall qualify for the health benefits plan for retirees as it existed prior to July 1, 1996.

Your Committee finds that an employee, initially hired prior to July 1, 1996, who has left state or county employment but who has subsequently returned to public service and has otherwise qualified for the level of health benefits to which employees hired prior to July 1, 1996, would be entitled upon retirement, may be treated as an employee hired after July 1, 1996, for purposes of determining the person's health benefits as a retiree under the Hawaii Employer-Union Health Benefits Trust Fund. Because it is not clear under the current law what level of health benefits these individuals will receive upon retirement, further clarification is necessary.

Your Committee finds that public employees who were hired prior to July 1, 1996, and who accrue at least ten years of service are entitled to a health benefits plan that could be provided at no cost to the employee upon retirement. Public employees hired after July 1, 1996, who accrue less than twenty-five years of service prior to retirement are required to pay a portion of their retirement health benefits cost.

Your Committee believes that an individual hired before July 1, 1996, who transfers employment after July 1, 1996, and cumulatively accrues ten years of credited service or who accrues ten years of credited service before a break in service, is entitled to receive the same health benefits upon retirement as an individual who was hired before July 1, 1996, thereafter accrued ten years of credited service, and left public service without ever returning.

Accordingly, your Committee has amended this measure as follows:

- (1) By deleting the amendment to section 87A-33(a), Hawaii Revised Statutes, in section 1 of the bill as the amendments made thereto are not necessary;
- (2) By clarifying that the state and counties shall make contributions to the Employer-Union Health Benefits Trust Fund in the same manner and amount that these employers contribute for their employees hired prior to July 1, 1996, who have not since transferred or suffered a break in service, for an employee who was hired prior to July 1, 1996, who either transfers or suffers a break in service, but subsequently returns to service and cumulatively accrues at least ten years of service; and
- (3) By defining "break in service" to clarify that it is different from a "transfer" of employment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2355, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2355, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2687 Ways and Means on S.B. No. 2424

The purpose of this measure is to allow new century charter school employees to retain their civil service status upon the conversion of their school to a new century conversion charter school.

The measure also:

- (1) Requires the Department of Human Resources Development to develop and implement procedures to ensure that new century conversion charter schools offer employees hired after conversion the choice of civil service status; and
- (2) Allows employees of new century conversion charter schools to retain civil service status upon transfer to a non-charter school of the Department of Education.

Your Committee finds that Act 2, Session Laws of Hawaii 2002, enabled a non-profit corporation to partner with an existing public school to become a new century conversion charter school. Your Committee further finds that the new century conversion charter schools provide the opportunity for greater flexibility, choice, and accountability in public schools, concentrating on improved student achievement. However, the Department of Human Resources Development has determined that, upon conversion, charter school employees lose their civil service status and any requisite benefits. Subsequently, the Department of Education and Department of Human Resources Development reached a one-year agreement to allow charter school employees to continue their civil service status, with the hope that a legislative solution to this problem would ensue.

Your Committee believes that this loss of civil service status was an unintended consequence of the charter school conversion process.

Therefore, your Committee finds that employees of conversion charter schools should be permitted to retain their civil service status upon conversion or transfer from a conversion charter school to another Department of Education school. Your Committee also finds that conversion charter schools should be permitted to provide the choice of civil service status to new hires.

Your Committee has amended the measure by:

- (1) Clarifying that the term "applicable employees", as used in the measure, means employees of the Department of Education that achieved civil service status in their position at a school prior to the school's conversion to a new century conversion charter school; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2424, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2424, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2688 (Majority) Ways and Means on S.B. No. 2593

The purpose of this measure is to expedite the repayment of an indebtedness to the State due to a salary or wage overpayment.

Your Committee finds that in the case of an indebtedness to the State by an employee due to an overpayment of salary or wages, upon notice to the employee of the indebtedness, the employee may contest the indebtedness pursuant to Chapter 91, Hawaii Revised Statutes (Hawaii Administrative Procedure Act). This measure expressly provides that, the contest notwithstanding, the State shall proceed with the collection of the indebtedness through salary or wage withholdings, or as otherwise provided by law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2593 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Hemmings). Excused, 1 (Hooser).

SCRep. 2689 (Majority) Ways and Means on S.B. No. 2718

The purpose of this measure is to increase the compensation of officials of the legislative service agencies and appropriate funds therefor.

Specifically, the bill amends the salary of the:

- (1) Auditor and first assistant or first deputy;
- (2) Director of the Legislative Reference Bureau and first assistant; and
- (3) Ombudsman and first assistant.

Your Committee notes that while state employees regularly receive salary and wage increases, the statutorily set salaries of the directors and second-in-command of the Office of the Ombudsman, Office of the Auditor, and Legislative Reference Bureau have not been adjusted since 1989. This measure will increase the amount of those statutorily set salaries to provide compensation that reflects the responsibilities and performance of the specified officials.

Your Committee has amended this measure by making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2718, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2718, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hooser).

SCRep. 2690 Ways and Means on S.B. No. 2873

The purpose of this measure is to amend the method of determining employer contributions to the Employees' Retirement System.

Your Committee finds that presently, employer contributions to the Employees' Retirement System are based on actuarial valuations that determine employer contributions in dollar amounts for normal cost and amounts required to amortize the projected unfunded liability within twenty-nine years as of June 30, 2000. This measure would set the employers' contribution starting with fiscal year 2005-2006 for police officers, firefighters, and correctional officers at 15.75 per cent and all other employees at 13.75 per cent of the member's compensation, subject to adjustments based on periodic actuarial investigations. The proposed method of setting contributions will provide employers with a more predictable budget and the Employees' Retirement System with a more predictable cash flow.

Your Committee has made technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2873, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2873, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2691 Ways and Means on S.B. No. 2878

The purpose of this measure is to apply the federal tax limit on compensation that may be taken into consideration in determining pension benefits under the Employees' Retirement System's tax-qualified retirement plan.

This measure also:

- (1) Establishes a non-tax-qualified pension benefit plan to allow members of the Employees' Retirement System who accrued benefits from July 1, 1996 to June 30, 2004 to retain those benefits;

- (2) Establishes that the non-tax-qualified benefit shall be paid to the retirant as a single lump sum payment that is equivalent to a single life annuity; and
- (3) Appropriates \$357,350 to pay the non-tax-qualified benefits for affected members of the Employees' Retirement System.

Your Committee finds that the benefits provided under the Employees' Retirement System are intended to be a tax-qualified retirement plan under section 401(a) of the Internal Revenue Code of 1986, as amended. Your Committee further finds that, pursuant to section 401(a)(17) of the Internal Revenue Code, the annual compensation that may be taken into account in determining benefit accruals under the Employees' Retirement System is limited. However, under Hawaii law, no provision was in place to address such salary limits with respect to the Employees' Retirement System on July 1, 1996. Additionally, article XVI, section 2, of the Constitution of the State of Hawaii prohibits either the diminishment or impairment of an Employees' Retirement System member's accrued benefit. Therefore, your Committee determines that, in order to accomplish retroactive compliance with section 401(a)(17) of the Internal Revenue Code of 1986, as amended, accrued benefits must be provided under a non-tax-qualified plan for the affected members, with the necessary funds being appropriated to the non-tax-qualified plan for the payment of the accrued benefits.

Your Committee has amended the measure to conform to recommended drafting procedures by:

- (1) Replacing a reference to a nonexistent section of law in chapter 88, Hawaii Revised Statutes, with provisions that enable the execution of the measure's intent without such a reference;
- (2) Adding a provision that further explains the formulas used to derive non-tax-qualified benefits as opposed to tax-qualified benefits;
- (3) Adding a provision that further explains the formula to be used to determine the value of a single life annuity;
- (4) Adding a provision that enables the Employees' Retirement System to pay a member, upon the attainment of the age at which the member could retire with an unreduced retirement benefit, or upon the member's termination of service, an equalization payment if the actual compensation limit that was in effect under section 401(a) of the Internal Revenue Code of 1986, as amended, is less than what was originally assumed;
- (5) Establishing a formula to determine the amount of the equalization payment;
- (6) Clarifying that, with regard to how non-tax-qualified benefits are to be administered, agencies such as the University of Hawaii, the Office of Hawaiian Affairs, and certain other state agencies shall reimburse the State for their employees;
- (7) Establishing that the non-tax-qualified benefits provided under the measure are not subject to state taxes or garnishment, except for garnishment actions initiated by the State; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2878, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2878, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2692 Ways and Means on S.B. No. 2879

The purpose of this measure is to amend the law relating to the Employees' Retirement System to conform to the requirements of section 401(a) of the Internal Revenue Code of 1986, as amended.

Specifically, the measure amends the laws relating to the administration of the Employees' Retirement System by:

- (1) Incorporating guidelines necessary for state and local government pension plans to qualify as a tax qualified retirement plan under the Internal Revenue Code;
- (2) Authorizing the Board of Trustees of the Employees' Retirement System to adopt rules to further effectuate the purpose of qualifying as a tax-qualified retirement plan under the Internal Revenue Code;
- (3) Granting the Board of Trustees expedited rulemaking authority for the limited purpose of adopting rules to comply with the requirements of section 401(a) of the Internal Revenue Code;
- (4) Establishing a definition of the term "compensation" as it relates to government employment; and
- (5) Amending the definition of "actuarial equivalent" to enable the Board of Trustees of the Employees' Retirement System to use, in addition to actuarial tables, other assumptions that are approved by the Board for retirement benefit computation purposes.

Your Committee finds that certain provisions are required to be included in the pension plans of state and local governments, pursuant to section 401(a) of the Internal Revenue Code. However, some of these required provisions are not provided for under

existing law or pursuant to the rules adopted by the Board of Trustees of the Employees' Retirement System. Your Committee determines that in order to ensure that the tax-qualified status of the Employees' Retirement System is not placed in jeopardy, the law should be amended to remain in compliance with the Internal Revenue Code.

Your Committee has amended this measure by making technical nonsubstantive amendments for purposes of clarity and style and to conform the measure to preferred drafting procedures.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2879, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2879, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Hooser, Kawamoto, Hemmings).

SCRep. 2693 Ways and Means on S.B. No. 2921

The purpose of this measure is to make an emergency appropriation of funds to pay collective bargaining increases for Department of Education employees.

Department of Education employees in collective bargaining units 1 and 5 received increases in wages effective January 1, 2003 and January 21, 2003, respectively. However, these mid-year increases were inadvertently omitted from the Governor's biennium budget proposal. Accordingly, this emergency appropriation is needed to fund the increases for the first year of the biennium.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2921 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Hooser, Kawamoto, Hemmings).

SCRep. 2694 Ways and Means on S.B. No. 2941

The purpose of this measure is to make an emergency appropriation of \$3,055,896 for fiscal year 2003-2004 to the Department of Human Resources Development for the payment of workers' compensation claims.

Your Committee finds that due to a variety of factors, including the increase in the cost-of-living allowance for claimants receiving total disability benefits, the increase in the fees as prescribed in the amended Workers' Compensation Medical Fee Schedule, and the annual increase in the weekly compensation rate, the sums appropriated to the Department through the General Appropriation Act of 2003 are insufficient for the Department to be able to meet its obligations under the workers' compensation law. The amount appropriated under this measure is necessary to meet the budgeted shortfall.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2941 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Hooser, Kawamoto, Hemmings).

SCRep. 2695 Ways and Means on S.B. No. 3018

The purpose of this measure is to enable certain members of the Employees' Retirement System who were disabled as police officers to receive a retirement allowance for those years of police service calculated at two and one-half per cent of the member's average final compensation.

Specifically, this measure modifies the benefit calculation for a member with at least ten years of credited service as a police officer, who is subsequently deemed permanently medically disqualified to be a police officer due to a service related disability, and who continues in employment in a class A or B position other than a police officer.

Your Committee finds that under current law a disabled police officer who continues in employment other than as a police officer will receive a retirement allowance calculated at two per cent of the member's average final compensation multiplied by the total number of years of credited service. The total years of credited service include the years as a police officer and the years in continued employment as other than a police officer.

Your Committee finds that this modified formula will result in the member receiving a retirement allowance calculated at two and one-half per cent of the member's average final compensation for the member's years of service as a police officer and two per cent of the member's average final compensation for the member's years of service in different positions.

Your Committee finds that this measure grants disabled police officers benefits currently granted to firefighters, and thereby grants police officers parity with firefighters.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3018, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3018, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kawamoto, Hemmings).

SCRep. 2696 (Majority) Ways and Means on S.B. No. 3019

The purpose of this measure is to establish an income tax credit for health benefits for members of collective bargaining unit 12 (police officers).

Specifically, the amount of the income tax credit is \$80 per month or \$960 per year for members of collective bargaining unit 12 who receive single health coverage, and \$200 per month or \$2,400 per year for members who receive family health coverage.

Your Committee finds that the cost of health care benefits has increased for police officers. To offset the increase, this measure provides a health benefits income tax credit for unit 12 members who receive single or family health coverage.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and uniformity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3019, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3019, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 2697 Ways and Means on S.B. No. 3106

The purpose of this measure is to allow counties to enter into an agreement with the State to extend the State's mandatory deferred compensation plans for part-time, temporary, and seasonal or casual employees to county part-time, temporary, and seasonal or casual employees, provided that the county designates an agency to coordinate the plan.

Your Committee finds that by allowing the counties the opportunity to join the state deferred compensation retirement plan, the counties would not have to create a duplicate structure of boards, administrative support, and contractual arrangements, thereby expediting and facilitating the implementation of the county plans.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3106, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3106, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Hooser, Kawamoto, Sakamoto, Hemmings).

SCRep. 2698 Ways and Means on S.B. No. 3175

The purpose of this measure is to give employees of the East-West Center who currently are not contributing to medicare the option of participating in the medicare system.

Your Committee finds that in 1981 a referendum was held allowing employees of the East-West Center to choose whether to be covered by the Social Security Act, with that decision being irrevocable. Your Committee further finds that in 1986 the Social Security Administration, in recognition of a lack of hospital insurance coverage nationwide, modified the Social Security Act to require the provision of medicare coverage for employees hired on or after April 1, 1986, who are not covered by Social Security. However, no mechanism exists for the provision of medicare coverage for those employees hired prior to April 1, 1986.

Therefore, your Committee has determined that these employees should be afforded the opportunity to secure coverage under the medicare system. Additionally, your Committee has determined that no other groups or employees are affected by this measure and the East-West Center has indicated that it is willing to fund costs incurred with regard to affected East-West Center employees.

Your Committee has substituted the official legal name of the East-West Center in section 4 of the bill and made other technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3175, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3175, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Hooser, Kawamoto, Sakamoto, Hemmings).

SCRep. 2699 (Majority) Ways and Means on S.B. No. 3226

The purpose of this measure is to prevent certain surviving spouses from losing retirement benefits upon remarriage.

Specifically, this bill allows the surviving spouse or surviving reciprocal beneficiary of a police officer, firefighter, deputy sheriff, or public safety officer to continue to receive pension and other retirement benefits, resulting from their former spouse's employment, upon remarriage, marriage, or entry into a new reciprocal beneficiary relationship.

Your Committee finds that Hawaii's law enforcement and public safety officers are among the finest and bravest officers in the country. Your Committee also finds that these individuals are only able to effectively protect and serve our communities with the support of their families. Given the nature of their positions, law enforcement and public safety officers are exposed to considerable hazards, often work irregular hours, and are faced with a great deal of stress which can put a strain on their home life. Your Committee determines that the sacrifices of not only the law enforcement and public safety officers but also the families should not go unrecognized. Upon the death of a law enforcement or public safety officer, a family is faced with numerous difficulties, with the main objective being to continue their lives, especially when there are surviving minor children involved. Thus, the surviving spouse or surviving reciprocal beneficiary should not be stripped of the deceased law enforcement or public safety officer's retirement benefits due to remarriage, marriage, or entry into a new reciprocal beneficiary relationship.

Accordingly, your Committee has amended the measure by:

- (1) Adding a definition for "deputy sheriff" in section 2;
- (2) Correcting the term to be defined in section 2 from "public safety office" to "public safety officer"; and
- (3) Making technical, nonsubstantive changes, including additions of the word "surviving" to modify "reciprocal beneficiary", for clarity and consistency to the amendments made to the underlying law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3226, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3226, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 2 (Kim, Trimble). Excused, 5 (Hooser, Kawamoto, Sakamoto, Hemmings, Slom).

SCRep. 2700 (Joint/Majority) Ways and Means and Water, Land, and Agriculture on S.B. No. 2077

The purpose of this measure is to require state agencies to prepare and update state plans every ten years, beginning June 30, 2005.

Your Committees find that state agency planning provides the direction and strategies for departmental policies, programs, and priorities, and guides the allocation of financial resources to carry out various state activities. To promote efficiency, the measure allows the state agency responsible for updating a functional plan to incorporate, if practicable, the findings and recommendations of any planning document produced by a state agency within the five years preceding the instant functional plan update.

Your Committees have amended this measure by extending the implementation date for new functional plans by one year to provide more time to establish an advisory committee.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2077, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2077, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, 1 (Slom). Excused, 3 (Kanno, Sakamoto, Whalen).

SCRep. 2701 Ways and Means on S.B. No. 2269

The purpose of this measure is to ensure that certain companies that provide telecommunication services are qualified businesses in enterprise zones.

Your Committee finds that this measure amends the definitions of "telecommunication services" and "qualified business" in section 209E-2, Hawaii Revised Statutes, to permit a business that provides telecommunication services to consumers to be a qualified business in an enterprise zone as long as a majority of the services it provides is within the enterprise zone within which it is established or to consumers in other enterprise zones.

Your Committee has amended this measure by:

- (1) Making technical nonsubstantive changes for clarity and consistency; and
- (2) Changing the effective date to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2269, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2269, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Aduja, Hooser, Kanno, Sakamoto).

SCRep. 2702 Ways and Means on S.B. No. 2563

The purpose of this measure is to exempt certain leveraged small business investment companies from the franchise tax otherwise applicable to small business investment companies.

Specifically, this measure exempts those leveraged small business investment companies that are licensed by the United States Small Business Administration.

Furthermore, this measure appropriates general funds to the University of Hawaii for the support of small businesses. Specifically, this bill provides funding for the expansion of the Small Business Development Center and the Hawaii Business Research Library, and the establishment of a Hawaii Award of Excellence Center.

Your Committee finds that the current franchise tax on all small business investment companies deters venture investors from establishing leveraged small business investment companies in the State. Removing the tax will attract these leveraged small business investment companies and thereby improve the opportunities for small businesses to gain access to capital.

Furthermore, your Committee finds that expansion of the Small Business Development Center will promote sustainable economic development and strengthen the economic conditions under which small businesses may thrive.

Your Committee has amended this measure by eliminating funding for the Leeward and Windward Oahu consulting and training centers of the Small Business Development Center, the second research position at the Hawaii Business Research Library, and the Hawaii Award of Excellence Center. Your Committee has also amended this measure by changing the remaining appropriation amounts to blank figures in order to promote continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2563, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2563, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2703 (Majority) Ways and Means on S.B. No. 3170

The purpose of this measure is to adopt strict requirements for the sale of gasoline containing ethanol.

Your Committee notes that existing law presently requires the petroleum commission to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, for the sale of gasoline containing ten per cent ethanol by volume. This measure expressly requires that, by January 1, 2006, eighty-five per cent of all gasoline sold in the State shall contain ten per cent ethanol by volume.

Your Committee has amended this measure by:

- (1) Making technical nonsubstantive changes for clarity and consistency; and
- (2) Changing its effective date to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3170, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3170, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Hemmings, Slom). Excused, 1 (Trimble).

SCRep. 2704 Ways and Means on S.B. No. 2281

The purpose of this measure is to permit the High Technology Development Corporation to deposit moneys collected or received from or on behalf of clients for projects under a contract for services into a private client account in a bank or financial institution.

The measure also repeals the \$3,000,000 cap on the high technology special fund.

Your Committee finds that all moneys, fees, and equity from tenants, qualified persons, and other users of the High Technology Development Corporation's industrial parks, projects, other leased facilities and other services and publications are deposited into the high technology special fund. However, to allow the High Technology Development Corporation more flexibility, this measure will allow it to establish a separate bank account for moneys it collects and receives for projects under a contract for services, as provided in

section 206M-3.4. Your Committee finds that these funds are external to state funds and are a source of funding that helps offset the Corporation's operating and payroll expenses.

Your Committee has amended this measure by:

- (1) Changing the term of "private client account" to "private trust account";
- (2) Adding a definition for "private trust account in any bank or financial institution" for clarity; and
- (3) Changing its effective date to July 1, 2050, to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2281, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2281, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Aduja).

SCRep. 2705 Ways and Means on S.B. No. 2392

The purpose of this measure is to authorize the High Technology Development Corporation to issue special purpose revenue bonds to assist Electricore, Inc. in developing and producing unmanned vehicle systems and unmanned aerial vehicles.

Aerovironment Hawaii, Inc., a subsidiary of Electricore, is a consortium of science, commercial and military partners that include the Boeing Company, which is the facilitator of the Mid-Pacific Unmanned Systems Test Center. Electricore has plans to create an area of expertise and concentration in Hawaii of emerging technologies and operational concepts with significant benefit to defense, homeland security, science, and commercial applications. An objective of Electricore is to develop and produce unmanned aerial vehicles, which are routinely used in combat and is part of the National Aeronautics and Space Administration's research on the environmental and commercial applications of unmanned aerial vehicles.

Your Committee has amended the bill by authorizing the issuance of refunding special purpose revenue bonds, and by making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2392, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2392, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 2706 Ways and Means on S.B. No. 2380

The purpose of this measure is to authorize the establishment of the State Art Museum.

In addition, this measure statutorily establishes the mechanism that provides operational funding for the museum and conforms chapter 9, Hawaii Revised Statutes, relating to the State Foundation on Culture and the Arts, with the duties of the State Foundation on Culture and the Arts concerning Art in Public Places, the relocatable Works of Art Program, and the State Art Museum.

Your Committee finds that to fully implement the operations of the State Art Museum and its amenities, the proposed revisions to chapter 9, Hawaii Revised Statutes, are necessary to conform with the existing law for the Works of Art Special Fund. These amendments clarify the roles and responsibilities of the State Foundation on Culture and the Arts with respect to the State Art Museum. This measure also clarifies and updates various existing and new duties imposed by law on the Foundation regarding the Art in Public Places and Relocatable Works of Art Programs as well as the State Art Museum and its programs and operations.

Your Committee amended this measure by:

- (1) Adding a provision to establish a nonprofit entity called "Friends of the Hawaii State Art Museum" to enhance and support the museum through programs and fundraising activities; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2380, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2380, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Aduja).

SCRep. 2707 Ways and Means on S.B. No. 2955

The purpose of this measure is to authorize a public agency meeting that is being conducted via videoconference to continue its conferencing even if it loses its video communication; provided that certain conditions are met.

Specifically, this bill authorizes the meeting to continue only if all visual aids for the meeting are already provided to or readily transmittable within fifteen minutes to all participants at the meeting, or the items of the agenda relating to the visual aids can be omitted from the meeting.

Your Committee finds that present law authorizes public meetings held by videoconference. However, the meeting must be terminated if both audio and video communication are lost at any location where the meeting is held. Your Committee finds that the risk of having to cancel a meeting that is underway serves as a disincentive for agencies to conduct meetings by videoconference. This measure serves to balance an agency's duty to conduct its business efficiently with the public's right to participate meaningfully in agency meetings.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2955, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Aduja).

SCRep. 2708 Ways and Means on S.B. No. 2972

The purpose of this measure is to clarify that all penalties, fines, and other administrative charges collected for historic preservation under the State historic preservation law (chapter 6E, Hawaii Revised Statutes), shall be deposited into the Hawaii historic preservation special fund.

In addition, the measure:

- (1) Expands the permissible expenditures for the fund to include permanent and temporary staff positions for the historic preservation program; and
- (2) Updates the reference to a repealed law on grants and subsidies.

Your Committee finds that through Act 104, Session Laws of Hawaii 2003, the authority of the Department of Land and Natural Resources was expanded to allow the imposition of civil and administrative penalties and the pursuit of violations against landowners who violate the State's historic preservation laws. This measure ensures that the moneys collected from penalties imposed will be deposited into the special fund. Further, your Committee finds that in 1988, the Department was authorized to charge fees to help defray the cost of administering the historic preservation program. This measure clarifies that the Department may use the special fund to help pay for costs of operating and staffing the program.

Your Committee amended this measure by changing the effective date from upon approval to July 1, 2030 to ensure further discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2972, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2972, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2709 (Majority) Ways and Means on S.B. No. 3002

The purpose of this measure is to support the public-private partnership for Project east (which stands for environmental and spatial technology).

Specifically, this measure funds the continuation and expansion of the project east initiative on all islands.

Your Committee finds that given the advanced state of technology that exists today, Hawaii needs to develop a highly skilled and trained workforce to work with this technology in the high technology companies and jobs that Hawaii has sought to attract to the State. Towards this end, the project east initiative aims to prepare students for the information technology age by providing a comprehensive project-based and student-centered learning program. Project east has already demonstrated tremendous potential as a workforce development initiative that has introduced Hawaii's youth on Maui, Hawaii, and Kauai to a wide range of technology-related skills. Your Committee believes that the project should be continued and expanded statewide.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3002 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Hemmings). Excused, 1 (Hooser).

SCRep. 2710 Ways and Means on S.B. No. 3021

The purpose of this measure is to appropriate funds to establish an open source software pilot project within the Department of Education.

The pilot program is intended to assist in establishing and implementing a policy on the purchase and use of open source software applications within the department.

In addition, the measure requires the Department of Education to submit a status report on this pilot project no later than twenty days prior to the regular session of 2006.

Your Committee finds that this open source software pilot project would enable the Department of Education to obtain, for no or low cost, software programs or utilities that it can modify to meet its specific needs. This pilot program may result in open source use in the future in statewide administrative systems and for school-based instructional purposes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3021, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2711 Ways and Means on S.B. No. 1615

The purpose of this measure is to acquire lands adjacent to the Kohala historical sites state monument.

Specifically, this measure requires the Department of Land and Natural Resources to use its eminent domain powers to institute proceedings to purchase lands adjacent to the Kohala historical sites state monument. The measure also appropriates funds for the purchase.

Your Committee finds that Act 166, Session Laws of Hawaii 1992, which is codified as section 6E-38.5, Hawaii Revised Statutes, aimed to preserve and protect the cluster of historical sites referred to as the Kohala historical sites state monument. Your Committee further finds that lands adjacent to the monument are necessary to provide public access to the monument as specified in Act 166. The State has not been able to acquire these adjacent lands through either a purchase or land exchange. Thus, your Committee finds that the use of eminent domain powers to purchase the adjacent lands is needed to preserve, protect, and provide public access to these historical sites.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1615 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2712 (Majority) Ways and Means on S.B. No. 2280

The purpose of this measure is to appropriate matching funds for the purchase of stream gauges and operation and maintenance of a flood warning system for Lake Wilson.

The United States Geological Survey Service will install the flood warning system and provide federal matching funds.

Your Committee finds that the low-lying Waialua and Haleiwa areas are prone to flooding from the upstream overflow of Lake Wilson. The flood warning system made possible by this measure would give residents and business owners time to prepare and evacuate during rainstorms, thereby minimizing the potential for damage to property and danger to persons.

Your Committee has amended this measure by deleting the appropriation amount of \$75,000 and leaving it blank to promote discussion on and development of the appropriate amount. Additionally, technical nonsubstantive amendments have been made for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2280, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2280, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Aduja, Hemmings). Excused, 3 (Espero, Kawamoto, Trimble).

SCRep. 2713 Ways and Means on S.B. No. 2400

The purpose of this measure is to direct the Department of Land and Natural Resources to establish a recreation area at Kapoho Bay as part of the state conservation district.

In addition, this measure appropriates funds for the development of the recreation area, including the construction of restroom facilities.

Your Committee finds that there are very few recreational facilities in the Puna District on the island of Hawaii, particularly due to recent volcanic activity that has overrun several acres of county beach parks. A recreation area at Kapoho Bay would improve on the lack of facilities, and will ensure oversight of precious ocean resources in that area.

Your Committee has amended this measure by requiring the Department of Land and Natural Resources to hold public meetings to receive community input with regard to the planning and design of the recreation area, including the restroom facilities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2400, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2400, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Espero, Kawamoto).

SCRep. 2714 Ways and Means on S.B. No. 2413

The purpose of this measure is to allow more agricultural businesses the opportunity to participate in the state enterprise zone program.

Your Committee acknowledges that agriculture is a vital component of Hawaii's economy. One way of encouraging more agricultural activities is to allow agricultural businesses to participate in and enjoy the incentives of the State's enterprise zone program. However, the existing requirement relating to a ten per cent increase in the number of employees at the end of the first year of participation is a difficult hurdle for an agricultural business due to the nature of the activity and its reliance on factors beyond its control, including national and international markets and weather conditions.

This measure will allow an agricultural business to continue to participate in the enterprise zone program if its business is interrupted by any acts of God. Further, it exempts an agricultural business from the increased employment requirement and instead requires the agricultural business to increase its cumulative average annual gross revenues by two per cent by the end of the first year for continued participation in the program.

Your Committee has made technical, nonsubstantive changes to this measure for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2413, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2413, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2715 (Majority) Ways and Means on S.B. No. 2438

The purpose of this measure is to appropriate funds to study the migratory movement of sharks along the Leeward Coast of Oahu.

Your Committee finds that shark attacks in Hawaii are becoming all too common. Although there are ample studies on sharks and their feeding habits, there apparently are no studies on the migratory habits of sharks in Hawaii, especially along the Leeward Coast of Oahu.

This bill addresses this need by appropriating funds to the Department of Agriculture's Aquaculture Development Program to study the migratory habits of sharks along the Leeward Coast of Oahu from Ewa Beach to Kaena Point.

Your Committee has amended the bill by:

- (1) Making technical changes for purposes of style, clarity and organization; and
- (2) Providing a blank amount for the proposed appropriation for purposes of continuing discussion and pending final disposition of the state budget.

Your Committee has also required the Aquaculture Development Program to submit a report of its findings and recommendations to the Legislature not later than twenty days prior to the convening of the 2005 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2438, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2438, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Espero, Kawamoto, Sakamoto).

SCRep. 2716 Ways and Means on S.B. No. 2441

The purpose of this measure is to ensure that certain lands in the Waialua area on Oahu remain in agriculture and are managed to ensure continued viability to meet the needs of Waialua farmers.

Your Committee finds that agricultural lands in the Waialua area need to be preserved and dedicated for agricultural use. This bill provides a procedure to acquire Waialua agricultural lands through land exchanges by the Department of Land and Natural Resources, and manage the lands under the Agribusiness Development Corporation. The corporation would be advised by the proposed Waialua Agricultural Region Subcommittee.

Your Committee has amended the bill by changing the effective date from upon approval to February 31, 2020, for the purpose of continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2441, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2441, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Espero, Kawamoto, Sakamoto).

SCRep. 2717 Ways and Means on S.B. No. 2818

The purpose of this measure is to make statutory housekeeping changes to the law regulating the Department of Agriculture's agricultural commodities section.

Specifically, this bill:

- (1) Transfers the provisions relating to coffee weight under section 141-4, Hawaii Revised Statutes, to chapter 147, Hawaii Revised Statutes, relating to agricultural grades and standards certification activities;
- (2) Transfers the authority to regulate advertising of size, grade, origin, or quality of fresh fruits, vegetables, and coffee by departmental rules currently under part I of chapter 148, Hawaii Revised Statutes, to chapter 147; and
- (3) Allows the fees collected by temporary inspectors hired under the certification services revolving fund to remain in the fund.

Your Committee finds that these changes will enhance the administration of the agricultural commodities section and provide for more efficient use of department resources.

Your Committee has amended the bill by:

- (1) Establishing a specific lifespan (until June 30, 2007) for administrative rules that were adopted under the authority of statutes being repealed by this measure, unless those rules are being repealed and replaced prior to June 30, 2007, by rules adopted by the Department of Agriculture pursuant to chapter 91, Hawaii Revised Statutes; and
- (2) Making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2818, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2818, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Espero, Kawamoto, Sakamoto).

SCRep. 2718 Ways and Means on S.B. No. 2820

The purpose of this measure is to facilitate the transfer of agricultural land from the Department of Land and Natural Resources to the Department of Agriculture.

In particular, this measure removes the requirement that the transfer of non-agricultural park lands involve parcels that are geographically adjacent to each other. The measure also expands the prohibition of not reducing the term of rents to cover the remaining fixed term of the applicable encumbrances.

Your Committee finds that this clarifying language is necessary for the purpose of consistency and that the restriction requiring geographical adjacency severely limits the availability of transferable lands and renders the non-agricultural parks program inoperable. The repeal of this language will further the goals of both departments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2820 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Espero, Kawamoto, Sakamoto).

SCRep. 2719 Ways and Means on S.B. No. 2869

The purpose of this measure is to clarify the power of the Hawaii Community Development Authority to act as an ombudsman for issues of concern within the Kalaeloa community development district.

Your Committee finds that, with the closure of Barbers Point Naval Air Station, the Navy is turning over twenty-one hundred fifty acres to various agencies of the federal government, the State, and the City and County of Honolulu. However, many of these parcels remain vacant and are not being sufficiently maintained. With the Hawaii Community Development Authority being the agency overseeing the Kalaeloa community development district, this measure establishes procedures for the Hawaii Community Development Authority to encourage proper maintenance of all properties in the Kalaeloa community development district.

Your Committee has made technical nonsubstantive changes to this measure for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2869, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2869, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2720 (Majority) Ways and Means on S.B. No. 3025

The purpose of this measure is to clarify that the Office of Planning shall report exclusively to the Department of Business, Economic Development, and Tourism and that the Department shall have sole jurisdiction over land and state planning functions.

Specifically, the measure reaffirms the administrative placement of the Office of Planning under the Department and clarifies that the Department shall have exclusive jurisdiction over the Land Use Commission and the Hawaii State Planning Act. This measure also prohibits the transfer of any of these offices or functions to any other department by executive order.

Your Committee finds that the authority to allocate executive and administrative offices within state government is well within the purview of the legislature. Using that authority, the Office of Planning was placed under the jurisdiction of the Department because of the common purposes and functions shared by both agencies. The Office of Planning prepares the guidelines for the state functional plans and provides recommendations to the Governor and state and county agencies on conflicts between the functional plans, the Hawaii State Planning Act, state programs, and county plans. These planning functions are essential to the business, economic development and tourism objectives of the State. Thus, technically, as well as intuitively, the Office of Planning belongs under the jurisdiction of the Department.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3025 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Espero, Kawamoto, Sakamoto).

SCRep. 2721 Ways and Means on S.B. No. 3052

The purpose of this measure is to establish policies and procedures for identifying and managing important agricultural lands.

This bill also directs the Agribusiness Development Corporation to convene a task force to develop incentives to promote the viability of important agricultural lands. This bill further permits holiday or agriculture-related special event activities and agricultural tourism on agricultural land for the enjoyment, education, and involvement of visitors. Finally, the bill appropriates \$2,000,000 to the counties as the State's share of the cost of mandated programs relating to important agricultural lands, and \$100,000 to the Agribusiness Development Corporation to implement the measure.

Your Committee finds that there is a compelling need to fulfill the constitutional mandate to identify and protect important agricultural lands in the State. As an irreplaceable resource that is threatened by urbanization, agricultural lands must be preserved to ensure the future of agriculture in Hawaii. Your Committee finds that this measure provides the most comprehensive approach to meet those responsibilities.

Upon further consideration, your Committee has amended this bill to change all specific dollar amounts appropriated to unspecified amounts to facilitate further discussion. Your Committee has also made technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3052, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3052, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Espero, Kawamoto, Sakamoto).

SCRep. 2722 (Majority) Ways and Means on S.B. No. 3129

The purpose of this measure is to address problems caused by the flooding of Lake Wilson on the Island of Oahu.

Specifically, this measure:

- (1) Directs the Department of Land and Natural Resources to conduct a study of the flooding problems caused by peak flows from storms into Lake Wilson, as well as an examination of appropriate drainage alternatives, and the costs of implementing the best mitigation measure to lessen the impact of urbanization of downstream waterways and related flood problems;
- (2) Appropriates funds to the Department of Land and Natural Resources to carry out the study; and
- (3) Authorizes the Director of Finance to issue general obligation bonds for the planning, design, and construction of the improvements required to implement the best mitigation measure as determined by the Department of Land and Natural Resources.

Your Committee finds that during heavy rains, the water in Lake Wilson flows over the top of the 183-foot wide spillway into Kaukonahua Stream. The crest of the spillway is at an elevation approximately eighty feet above the bottom of the lake. The rise in the water level of the lake can be quite sudden, leaving little time for state crews to react. This measure provides the study to develop flood damage mitigation measures, and appropriates funds to implement measures to mitigate the flooding caused by the current faulty system.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3129, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 2723 Ways and Means on S.B. No. 53

The purpose of this measure is to make an appropriation to increase ambulance service to the Kihei/Wailea region of Maui.

Your Committee finds that the Kihei/Wailea region of Maui, a fast growing community and tourist center, is served by only one twenty-four-hour, locally based advanced life support ambulance service for area residents and visitors. This measure will double that service by providing a second twenty-four-hour advanced life support ambulance service.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 53, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2724 Ways and Means on S.B. No. 2399

The purpose of this measure is to appropriate funds for supplies, equipment, and vehicle maintenance to operate an ambulance donated by the Gerald & Janet Carrus Family Foundation to the Ocean View Community Association.

Your Committee finds that emergency calls to the Hawaiian Ocean View Estates Area present tremendous problems regarding triage and transport of patients. If the emergency medical services ambulance in Pahala is on a call or taking part in the transfer of a critical patient to Kona or Hilo, very long delays may occur in the Ocean View area and other ambulances may be taken out of district to respond. The aeromedical chopper is an integral part of rapid transfers, especially in trauma, but there are times that the weather does not permit air transport or it is not medically appropriate to use the aeromedical chopper. A fully equipped and well-maintained ambulance made possible by this measure fills a critical gap in responsive emergency medical services in the Ocean View area.

Your Committee has amended this measure by changing the appropriation amount of \$630,680 to an unspecified amount to promote further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2399, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2399, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2725 Ways and Means on S.B. No. 2578

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for construction improvements and expansion for the Rehabilitation Hospital of the Pacific.

Your Committee finds that the Rehabilitation Hospital of the Pacific is the only rehabilitation hospital in Hawaii and provides much needed services to the residents of the State. The hospital needs to expand its outpatient clinic, inpatient beds, construct a new parking garage, and upgrade physicians' and administrative spaces.

Your Committee further finds that the financing of the project in this measure constitutes assistance to a health care facility and in the public interest.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2578 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2726 Ways and Means on S.B. No. 2591

The purpose of this measure is to require the Department of Health to provide services to maintain and enhance caregiving for persons sixty years old and older in community-based homes that are not fee for service businesses.

This measure requires no appropriation but simply clarifies the types of supportive services that the Department of Health may provide to caregivers that are assisting persons with disabilities.

Your Committee finds that this measure shifts the spotlight from financing long-term care to supporting the people who are providing the greatest proportion of long-term care for Hawaii's elderly – family caregivers.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and uniformity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2591, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2591, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Hemmings).

SCRep. 2727 Ways and Means on S.B. No. 2592

The purpose of this measure is to make an appropriation to the Department of Health for the provision of sexual assault services.

Your Committee finds that providing and maintaining access to comprehensive support services is the most effective community response to sexual assault. Funding will help provide emergency medical care, twenty-four-hour coverage for crisis intervention and outreach services, therapy services, comprehensive sexual assault awareness and prevention and education programs, and coordinated planning for standardized sexual assault services statewide. Since a significant portion of domestic violence is sexual assault, it is appropriate that fifty per cent of the appropriation amount will be expended out of the domestic violence prevention special fund.

Your Committee has amended this measure by changing the amount appropriated to an unspecified amount to permit the measure to move forward while the Legislature continues to work on the state budget. Your Committee has also made technical, nonsubstantive changes to the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2592, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2592, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Hemmings).

SCRep. 2728 Ways and Means on S.B. No. 2686

The purpose of this measure is to appropriate funds to the Cancer Detection Development Revolving Fund to support Hawaii-based development of healthcare and biomedical technology to detect and treat the early stages of cancer.

Your Committee finds that under Act 174, Session Laws of Hawaii 2003, the legislature recognized the need for cancer research, especially as the disease relates to Hawaii. Hawaii is recognized worldwide with the image of the sun and surf and our tourism industry depends on visitors enjoying a safe and healthy vacation. But the potential dangers of the sun are not commonly known or fully appreciated by tourists or residents. For example, the island of Kauai leads the nation in per capita incidence of basal cell carcinoma, a potentially fatal skin cancer caused by the sun. Your Committee notes that support for Hawaii's technology sector that is involved in medical research will contribute to our economy and the health and well being of all residents.

This measure provides the funds to support the continued development of early non-invasive diagnosis and treatment technology to fight cancer, including skin, cervical, and other types of cancer.

Your Committee has amended the bill by:

- (1) Changing the appropriation to a blank amount for purposes of discussion and pending final disposition of the state budget;
- (2) Changing the expending agency to the Hawaii Strategic Development Corporation which administers the Cancer Detection Development Revolving Fund; and

- (3) Changing the effective date to February 31, 2020 for purposes of discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2686, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2686, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2729 Ways and Means on S.B. No. 2721

The purpose of this measure is to appropriate funds for additional ambulance service in the Waianae-Nanakuli, Kahaluu-Kaaawa, and urban Honolulu areas of Oahu, and a third shift of ambulance service at the Makakilo ambulance unit.

Your Committee finds that the Waianae-Nanakuli, Kahaluu-Kaaawa, and urban Honolulu areas lack sufficient emergency medical services, particularly with recent population growth and higher incidence of medical emergencies in those areas.

Your Committee has amended this measure by changing the appropriation amount of \$1,251,070 to an unspecified amount to promote further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2721, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2721, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2730 (Majority) Ways and Means on S.B. No. 2948

The purpose of this measure is to statutorily establish the Public Health Nursing Services Program and prescribe its scope of services.

Specifically, this bill establishes the Public Health Nursing Services Program within the Department of Health and sets forth the roles and functions of the program relating to the delivery of direct clinical nursing services.

Your Committee finds that public health nurses deliver an array of health services including the prevention of communicable diseases such as tuberculosis, immediate response to and mobilization of resources during epidemics and catastrophic disasters, health services in public schools, and care coordination services to the most vulnerable populations. Accordingly, your Committee finds that the Public Health Nursing Services Program provides an invaluable service to the residents of the State and should be formally established in law.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2050 to facilitate further discussion on the measure;
- (2) Clarifying that collaborative services with the Department of Education are provided for public school students, as opposed to all students in the State; and
- (3) Making several technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2948, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2948, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (Hooser).

SCRep. 2731 Ways and Means on S.B. No. 2957

The purpose of this measure is to require the Hawaii Health Systems Corporation to organize a domestic captive insurance company to provide malpractice insurance coverage to the Department of Health, the John A. Burns School of Medicine, and other governmental entities or quasi-governmental entities of the State involved in the provision of health care.

Your Committee finds that the cost of purchasing medical malpractice and hospital professional and general liability coverage is becoming prohibitive, and for some, unavailable.

Your Committee further finds that establishment of a captive insurance company domiciled in the State is vitally essential to the future viability of government and quasi-government entities of the State involved in the provision of health care because it can help reduce costs and control losses.

Upon further consideration, your Committee has amended this measure by:

- (1) Permitting, rather than requiring, the Hawaii Health Systems Corporation to organize the captive insurer;
- (2) Requiring a board of directors for the captive insurer, if organized, to include one member representing each insured; and
- (3) Appropriating an unspecified amount, to facilitate further discussion, to fund the start up of the captive insurer, to be expended by the Hawaii Health Systems Corporation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2957, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2957, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 5 (Aduja, Espero, Hooser, Kim, Trimble).

SCRep. 2732 Ways and Means on S.B. No. 2979

The purpose of this measure is to transfer the functions and authority of the Department of Public Safety relating to uniformed security employees and security contracts at the health facilities of the Hawaii Health Systems Corporation to the Hawaii Health Systems Corporation.

Specifically, this bill amends section 26-14.6, Hawaii Revised Statutes, to effect the transfer. The bill also includes standard language relating to the transfer of personnel, appropriations, records, and other property.

Your Committee finds that the transfer of this security force to the Hawaii Health Systems Corporation will facilitate more efficient supervision, management, and control of these security personnel regarding all their administrative and operational requirements. Your Committee further finds that this transfer does not in any way affect the existing ability or authority of Hawaii Health Systems Corporation to use private contractor security forces at other hospitals within the Corporation's system.

Your Committee has amended this bill to clarify that the health facilities are under the operation, management, and control of the Hawaii Health Systems Corporation, and not the Department of Public Safety, and that it is the functions and authority of the Department of Public Safety relating to security employees and contracts that are being transferred to the Hawaii Health Systems Corporation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2979, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2979, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2733 Ways and Means on S.B. No. 3114

The purpose of this measure is to require the Department of Health to submit an annual report to the Legislature on the operation of the Kalaupapa Settlement.

The report is required to focus on:

- (1) The provision of medical and nonmedical needs of patients; and
- (2) The progress made in implementing efficient management policies that improve daily operations as well as quality of life at Kalaupapa settlement; and
- (3) Information derived from tracking expenses related to patients separately from nonpatient costs.

Your Committee finds that this measure implements the Auditor's recommendation that the Department of Health submit to the Legislature an annual report on the operation of Kalaupapa and on patients' living conditions. The audit revealed many problems with the administration of Kalaupapa and treatment of its patients. Requiring the Department of Health to file an annual report will provide a regular mechanism to enable the Legislature to review ongoing activities at Kalaupapa and recommend changes as needed.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and uniformity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3114, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3114, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2734 Ways and Means on S.B. No. 3135

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist St. Francis Healthcare System of Hawaii.

This measure authorizes the issuance of special purpose revenue bonds in a total amount of not more than \$85,000,000 for the purpose of assisting St. Francis Healthcare System of Hawaii, a Hawaii nonprofit corporation, and one or more of its nonprofit affiliates, to finance the construction, improvement, and purchase of equipment for its various health care facilities in the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3135, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2735 Ways and Means on S.B. No. 3156

The purpose of this measure is to appropriate funds for the professional development and training of Hawaii's paramedics.

Specifically, funding would be used toward a development and training instructor for Kauai, a video conference system to connect Kauai, Maui, and Hawaii with emergency medical services instruction on Oahu, and paramedic training equipment for Kauai, Maui, and Hawaii.

Your Committee finds that paramedics require ongoing training that is often available exclusively on Oahu, making it less accessible to paramedics on Maui, Kauai, and Hawaii due to the additional time, cost, and personal hardship involved. This measure brings critical training infrastructure to the other islands, thereby maintaining and boosting retention rates of paramedics throughout the State.

Your Committee has amended this measure by:

- (1) Deleting the appropriation amount of \$350,000 as well as the breakdown of costs, to facilitate continuing discussion on this measure; and
- (2) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3156, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3156, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2736 Ways and Means on S.B. No. 2165

The purpose of this bill is to require the Department of Human Services (Department) to implement and operate a statewide program for the treatment of drug affected infants.

Furthermore, this measure requires the Department to seek available federal funds to support the program.

Your Committee finds that recent federal law requires states to enact or operate programs to provide health care to infants born and identified as being affected by illegal substance abuse or withdrawal symptoms resulting from prenatal drug exposure. This measure codifies provisions from the federal Child Abuse Prevention and Treatment Act, as amended by the Keeping Children and Families Safe Act of 2003, and recognizes the initiatives already taken by the Department to fulfill requirements of federal law.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2165, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2165, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2737 (Majority) Ways and Means on S.B. No. 2226

The purpose of this measure is to establish a dedicated funding source for homeless assistance.

Specifically, the bill requires that up to \$1,000,000 in unencumbered and unexpended moneys remaining on balance in the unclaimed property trust fund be transferred annually to the department of human services to be expended for homeless services.

Your Committee finds that services to homeless individuals and families, specifically outreach and case management, have not been funded in a consistent manner over the years due to budget constraints. The homeless need to be connected to services to deal with the

underlying causes of homelessness including poverty, mental illness, drug addiction, and other problems. This measure will provide a dedicated source of funding that will assist these vulnerable citizens.

Upon further consideration, your Committee has amended this measure to:

- (1) Clarify further that excess moneys in the unclaimed property trust fund may be used for homeless services by amending section 523A-23.5(b), Hawaii Revised Statutes;
- (2) Remedy an erroneous section numbering problem in the bill by renumbering the sections correctly; and
- (3) Change the \$1,000,000 amount for homeless services to an unspecified amount to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2226, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2226, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, 1 (Kawamoto).

SCRep. 2738 Ways and Means on S.B. No. 2349

The purpose of this measure is to establish a Child-Friendly Visitation Center Task Force (Task Force) to develop a pilot project that facilitates child visitation for incarcerated parents at a state correctional facility.

Your Committee finds that, when parents are arrested and incarcerated, the impact on their children is tremendous. These children are likely to develop psychological problems and experience grief, guilt, shame, or fear. School performance often declines and truancy, substance abuse, and aggressive behavior may increase.

It is difficult for parents to maintain relationships with their children while incarcerated, particularly in Hawaii. Nearly one-quarter of Hawaii's prisoners are held in privately operated out-of-state facilities. Visitation procedures can be frightening to children. Providing a play area with toys and books would create a more family-friendly atmosphere and enable parents to maintain bonds with their children.

Your Committee has amended the measure by:

- (1) Replacing the term "prison facility" with the more appropriate term "state correctional facility";
- (2) Requiring that prior to acting upon any recommendation for the pilot project's implementation, the Department of Public Safety obtain legislative approval through the adoption of a concurrent resolution;
- (3) Adding a representative from the Community Assistance Center to the Task Force;
- (4) Changing the effective date from July 1, 2005, to July 1, 2030, to facilitate further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2349, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2349, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2739 (Majority) Ways and Means on S.B. No. 2605

The purpose of this measure is to amend the current state level of care supplemental payments for adult residential care homes.

Specifically, this bill amends section 346-53(c), Hawaii Revised Statutes, to provide for unspecified dollar amounts in place of the current \$521.90 and \$629.90 payment amounts for type I and type II adult residential care homes, respectively.

Your Committee finds that higher levels of payments may be needed to encourage more extensive use of the most affordable method of accommodating elderly living arrangements. Accordingly, your Committee has left the dollar amounts unspecified to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2605 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Hemmings, Slom). Excused, 3 (Aduja, Kim, Sakamoto).

SCRep. 2740 Ways and Means on S.B. No. 2608

The purpose of this measure is to make permanent the payment methodology to critical access hospitals using medicare reasonable cost principles.

In addition, this bill also makes permanent the definition of critical access hospital and exempts these hospitals from medicaid reimbursement equity. To accomplish this, this bill amends Act 226, Session Laws of Hawaii 2000, by repealing that Act's sunset date of June 30, 2004.

Your Committee finds that rural areas typically face financial conditions that are more severe than those in urban settings due to the low volume of patients and the high expense of providing care in remote areas. The designation of a hospital as a critical care hospital increases medicare payments and relaxes operating requirements to help ensure the fiscal viability of participating hospitals. Your Committee finds that this bill assists the State's critical care hospitals by making permanent the payment methodology to critical access hospitals using medicare reasonable cost principles.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2608, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kim, Sakamoto).

SCRep. 2741 Ways and Means on S.B. No. 2621

The purpose of this measure is to create a medically fragile children's trust fund to help pay for a medically fragile child's expenses as well as the child's caregiver's expenses.

The measure also creates a medically fragile children's trust fund advisory committee, placed within the Department of Health for administrative purposes.

Your Committee finds that recent trends in legislation place a larger responsibility on government to provide a means for meeting the unique needs of children with disabilities. Medically fragile children are children who typically suffer from cerebral palsy, muscular dystrophy, cancer, heart and lung disease, spina bifida, and other conditions that threaten their ability to survive without proper medical care. These are children who are usually medically stable but require skilled nursing services, therapies, and equipment to sustain their lives.

On a daily basis, families with medically fragile children are faced with limited health plans or other programs that are unable to fund certain items consistently or not at all. For example, homes often need to be adapted with new wiring, widened doorways, and ramps in order to accommodate certain equipment. This measure will provide some relief to families already burdened both financially and emotionally as a result of the need to care for a medically fragile child.

Upon further consideration, your Committee has amended this measure by inserting customary language regarding the appointment of the advisory committee's members, term of office, quorum, vacancy, unexpired terms, service without compensation, and the like. Your Committee has also made several technical nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2621, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2621, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2742 Ways and Means on S.B. No. 2630

The purpose of this measure is to require the Department of Human Services (Department) to make a good faith effort to identify, locate, and assess members of a child's extended family for the purpose of placing the child under the foster care of the extended family member.

Your Committee finds that the measure requires the Department to establish a protocol to identify, locate, and assess extended family members as placement resources for children who are placed in foster care. The measure exempts:

- (1) Police officers engaged in the duty of assuming protective custody of a child without a court order and the subsequent transfer of the child into protective custody of the Department; and
- (2) The Department's practice of assuming temporary foster custody of a child without a court order;

from complying with the protocol established under the measure.

Your Committee believes that the Department should search for qualified, willing relatives to be considered as placement resources for children in need of foster homes. Currently, extended family members and other persons suggested by the family or child are solicited as potential foster parents. Passing this measure is consistent with the policies of the Department and will ensure its commitment to placing foster children with family members who meet the requirements of a foster parent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2630, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2743 Ways and Means on S.B. No. 2929

The purpose of this measure is to allow time to prepare for the phasing in of a new methodology for reimbursement of long-term care services and to make permanent that methodology.

Your Committee finds that Act 226, Session Laws of Hawaii 2000, provided for a new long-term care reimbursement methodology to begin in 2003. However, this must be preceded by provider education and training, system changes to medicaid, and changes to long-term care facility resident assessment. This measure allows for a gradual phasing in of the methodology, to ensure that facilities can make necessary adjustments, by delaying the deadline for implementing the new methodology from June 30, 2003, to July 1, 2008. This measure also repeals the sunset provision that would have repealed the use of the new methodology on June 30, 2004, thus making the new methodology permanent.

Your Committee finds that there is a need to allow additional time to phase in the new methodology and to make the use of such methodology permanent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2929, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2744 Ways and Means on S.B. No. 2930

The purpose of this measure is to make certain administrative amendments to the home and community-based care licensing law.

Specifically, this bill:

- (1) Extends the statutory authority for licensing home and community-based case management agencies and the certification of community care foster family homes;
- (2) Makes the Department of Human Services or its designee responsible for certifying any community care foster family home; and
- (3) Requires adult protective services perpetrator checks as a requirement for certification.

Your Committee amended this measure by changing the amounts appropriated in sections 4 and 5 to unspecified amounts to facilitate further discussion on this measure and by changing the effective date of the measure from June 29, 2004 to June 29, 2030 and the effective dates for sections 1, 4, and 5 to undetermined future dates. Technical, nonsubstantive amendments were made for clarification.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2930, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2930, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2745 Ways and Means on S.B. No. 2931

The purpose of this measure is to protect individuals receiving home- and community-based services.

Specifically, this bill requires the Department of Human Services to establish standards, that shall include criminal history record and adult and child protective services record checks, to ensure the reputable and responsible character of service providers who have direct contact with individuals receiving home- and community-based services, that are provided through the Department of Human Services' Adult and Community Care Services Branch.

The bill further appropriates \$50,000 for fiscal year 2004-2005 out of the State Criminal History Record Improvement Revolving Fund, to be expended by the Department of the Attorney General, and \$35,449 for fiscal year 2004-2005 from general funds, to be expended by the Department of Human Services, for the record checks.

Upon further consideration, your Committee has amended this bill by:

- (1) Deleting the amounts of the appropriations and leaving blank amounts for the purpose of promoting further discussion; and
- (2) Changing the effective date to July 1, 2030 for the purpose of promoting further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2931, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2931, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2746 (Majority) Ways and Means on S.B. No. 3036

The purpose of this measure is to ensure the safety and well-being of all children who come into contact with the child protective services system.

More specifically, this measure requires the Department of Human Services to adopt child welfare social worker caseload standards and reclassifies child welfare social workers to achieve a two salary range upgrade.

Your Committee finds that one of the areas needing critical improvement in child welfare services is the social worker's contact with the family. Many disgruntled families have reported that they lack contact with their social worker, and some have stated that they only saw their social worker just before going into court. Unfortunately, our child protective services social workers are overburdened with too many cases. With manageable caseloads, the social workers can attend to each family in a timely manner. Furthermore, increasing their salary range will encourage more applicants to fill vacant positions and lower the high employee turnover rates.

Your Committee has amended this measure by delaying the effective date to July 1, 2030, to permit further discussion of the issues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3036, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3036, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Aduja, Sakamoto).

SCRep. 2747 Ways and Means on S.B. No. 3134

The purpose of this measure is to expand access to skilled nursing placement for dialysis patients.

More specifically, this measure requires the Department of Human Services to establish cost reports for payments to long-term care providers for dialysis patients and appropriates funds for reimbursements to skilled nursing services for dialysis patients.

Your Committee finds that long-term care facilities typically limit admissions to one or two patients who require dialysis due to lack of sufficient reimbursement. These patients usually require care that is far beyond that of average skilled nursing level patients. The additional costs are not covered by current reimbursement formulas. This measure will assist in covering the additional costs of necessary services.

Your Committee also finds that the measure provides for its own repeal upon the implementation of the equity based reimbursement methodology for long-term care nursing services that is required under section 346D-1.5, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Deleting the specific amount appropriated; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3134, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3134, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Aduja, Sakamoto).

SCRep. 2748 Ways and Means on S.B. No. 3230

The purpose of this measure is to appropriate funds for childhood care programs.

Specifically, this bill appropriates an unspecified sum to fund community-based, collaborative, comprehensive early childhood care direct services for children under age five and their families; provided that any such funding shall be used for the implementation of community-based, comprehensive direct service delivery systems, and not for planning, studies, or other strategic functions.

Your Committee has received information that a pilot project should be established in areas of critical need to receive early childhood care direct services. Your Committee finds that these areas include East Hawaii, mainly in the Puna and Hilo areas, and in Waianae on Oahu.

Upon further consideration, your Committee has amended this bill to require the Department of Human Services to establish a pilot project to provide community-based, collaborative, comprehensive early childhood care direct services for children under age five and their families in critical need areas as the department may determine. Your Committee has also amended the bill to require that the Department of Human Services submit a report on the pilot project to the Legislature prior to the 2005 Regular Session.

Although your Committee has provided the Department of Human Services with the authority to determine where the pilot project sites are to be situated, your Committee believes that, given the current critical early childhood care needs evidenced in the Puna and Hilo areas on the island of Hawaii and the Waianae area on Oahu, these areas would be ideal pilot project sites.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3230, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3230, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2749 Ways and Means on S.B. No. 1060

The purpose of this measure is to support the programs of Hui Malama Learning Center.

Specifically, this measure funds the center's alternative education programs, including GED (general equivalency diploma) Foundations, academic tutorials, and home schooling enrichment.

Your Committee finds that the Hui Malama Learning Center plays an important role in helping to provide alternative educational opportunities for Maui's at-risk youth. Many of the youths served by the center have either been dismissed from school or have dropped out and no longer participate in the public school system. By providing alternative education and counseling programs, the center is a critical element in keeping these youths on track so that they can be a productive part of our society.

In order to facilitate further discussion on this matter, your Committee amended this measure by changing the appropriation from \$105,000 to an unspecified amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1060, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Slom, Trimble).

SCRep. 2750 (Majority) Ways and Means on S.B. No. 2044

The purpose of this measure is to establish a Junior Reserve Officers' Training Corps at Waipahu High School. Specifically, this measure appropriates funds for fiscal year 2004-2005 for the corps to be matched by the federal government.

Your Committee finds that Congress established the Junior Reserve Officers' Training Corps program in 1916 to develop good citizenship and responsibility in young people. Administered through the Army, Navy, Air Force, and Marine Corps, the program remains the oldest, largest, and time-tested public enterprise for youth development. The Junior Reserve Officers' Training Corps program teaches elective courses that emphasize good citizenship, personal responsibility, and service to country. The impact of the program has been overwhelmingly positive as it strengthens local communities and the nation by nurturing individualism in the service of a common cause, helps students develop self-discipline, and instills the values of teamwork, motivation, and self-confidence in young people. The emphasis on these values has resulted in a decrease of school-related disciplinary problems among students who participate in this program.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2044, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2044, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (English). Excused, 2 (Kanno, Trimble).

SCRep. 2751 (Majority) Ways and Means on S.B. No. 2054

The purpose of this measure is to assist public schools in providing for textbooks and instructional materials.

Specifically, this measure allows any public school to assess and collect a textbook and instructional materials fee, not to exceed \$20 from each student for each school year. This measure also establishes a special account within the Department of Education for the deposit of those fees and to be used to purchase or repair school equipment, supplies, textbooks, and instructional materials.

Your Committee finds that public schools cannot afford to replace textbooks and instructional materials that are lost, damaged, destroyed, or broken. Allowing public schools to assess fees for these items will help to relieve them of these costs while also encouraging students to respect and take proper care of the textbooks and instructional materials provided for their education.

Your Committee made technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2054, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2054, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble), Excused, 1 (Hooser).

SCRep. 2752 Ways and Means on S.B. No. 2058

The purpose of this measure is to support the completion of repair and maintenance projects at public schools by continuing to fund Hawaii 3R's.

The measure also amends the Hawaii 3R's law by deleting a reference to the Hawaii 3R's being a project of Helping Hands Hawaii, as the Hawaii 3R's program is now established as its own nonprofit organization.

Your Committee finds that there continues to be a backlog of repair and maintenance projects in Hawaii's public schools and that every means of addressing these projects should be explored and supported. Towards this end, the State has successfully partnered with Hawaii 3R's, a nonprofit organization, to complete, in a timely and cost effective manner, public school repair and maintenance projects that ordinarily would be done with state funds and resources. Your Committee finds that appropriating public funds to Hawaii 3R's serves the public purpose of expediting the completion of the backlog of repair and maintenance projects in Hawaii's public schools.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2058, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2753 (Majority) Ways and Means on S.B. No. 2065

The purpose of this measure is to require public schools to finalize teacher hiring before the end of the preceding fiscal year.

This measure will expedite the hiring process and will provide more preparation time for these teachers before the school year begins.

Your Committee has amended the bill by:

- (1) Providing that the deadline for hiring teachers does not apply to teachers hired due to retirement, resignation, or other unforeseen causes;
- (2) Deleting sections 3 and 4 of the bill that provides an appropriation and expending agency which are vestiges of an earlier draft that have no relevancy to the present purpose of the bill; and
- (3) Making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2065, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2065, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Hooser).

SCRep. 2754 (Majority) Ways and Means on S.B. No. 2108

The purpose of this measure is to appropriate funds to hire additional athletic trainers in public schools.

Your Committee finds that athletic trainers have proven to be an essential part of high school athletics and have provided experienced and knowledgeable health care to thousands of student athletes. Athletic trainers, however, are in short supply as many public schools with growing athletic programs lack adequate trainer expertise and health care.

This measure provides the additional athletic trainer positions needed to provide better coverage at practices and games and to cover conditioning, rehabilitative, and preventive injury programs at public schools.

Your Committee has amended the bill by making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2108, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2108, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (Hooser).

SCRep. 2755 Ways and Means on S.B. No. 2113

The purpose of this measure is to appropriate funds for equipment, supplies, and transportation for Department of Education athletic programs.

According to the Department of Education, there is inadequate funding of athletic equipment, supplies, and transportation, that has forced high schools to raise approximately \$600,000 annually to support athletic programs. Additionally, many schools use equipment that is old and dilapidated, and is still in use only through the inventiveness of resourceful teachers and coaches.

This measure would provide the resources that have been lacking in years past to provide public schools with a strong and safe foundation for their athletic programs.

Your Committee has amended the bill by changing the appropriation to a blank amount for purposes of discussion and pending final disposition of the state budget.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2113, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2113, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2756 (Majority) Ways and Means on S.B. No. 2114

The purpose of this measure is to appropriate funds to improve safety and security on University of Hawaii campuses.

Your Committee finds that safety and security issues have been long standing problems at University of Hawaii campuses. Incidents of rape, sexual assault, burglaries, and vandalism are not uncommon. Despite attempts by the University administration to increase safety and security measures, the problems still persist.

This measure provides an appropriation vehicle to fund necessary improvements to the University of Hawaii security program to ensure a safe and secure learning environment at University of Hawaii campuses statewide.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2114 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (Hooser).

SCRep. 2757 (Majority) Ways and Means on S.B. No. 2115

The purpose of this measure is to appropriate funds to the Department of Education for an athletic health care trainer specialist coordinator position.

Specifically, the position funded by this measure will coordinate the efforts of the Department's athletic health care trainers statewide and provide technical and professional advice and assistance.

Your Committee finds that athletic programs in the public school system must provide a safe and healthy environment. The athletic care program in the public school system has grown in complexity. The program now requires a coordinator with unique expertise to address the needs, problems, and conditions that surround the athletic care environment throughout the public school system.

Your Committee has amended this measure by changing the appropriation amount to a blank figure for purposes of continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2115, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2115, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (Hooser).

SCRep. 2758 (Majority) Ways and Means on S.B. No. 2171

The purpose of this measure is to appropriate general funds to the Department of Education for textbook purchases.

Furthermore, this bill requires school textbooks and curriculum to be aligned with that of the school complex as a whole.

Your Committee finds that this measure will ensure that all public school students will have the textbook resources for mastering the Hawaii Content and Performance Standards that will enable them to compete in a global society and marketplace.

Your Committee has amended this measure by clarifying that a particular school's textbooks shall be aligned with the curriculum of that school's complex as a whole. Your Committee has also amended this measure by changing the appropriation amount to a blank figure for the purposes of continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2171, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2171, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, 1 (Trimble). Excused, none.

SCRep. 2759 Ways and Means on S.B. No. 2175

The purpose of this measure is to create a trust fund for scholarships as a requirement of the State's participation in the federal Department of Education's Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP).

In addition, this measure contains provisions so as not to hinder or impede the University's participation in GEAR UP.

Your Committee finds that the University of Hawaii has been designated as the Hawaii recipient of federal funds granted under GEAR UP. However, in order to be able to award scholarships under the requirements of GEAR UP, the university must establish a separate charitable trust to receive and hold the funds until the scholarships are awarded. In order to ensure that the University's participation in GEAR UP is not hindered or impeded, the measure includes provisions that exempt the establishment of the trust, the trust itself, and specification of scholarship criteria from the definitions of rules and rulemaking and deems that the trustees are not a political subdivision or public or quasi-public entity of the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2175, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 2760 Ways and Means on S.B. No. 2197

The purpose of this measure is to establish a school work-study program in the Department of Education to provide students with paid work experience and employers with reliable entry-level workers.

Additionally, this bill is intended to give first priority for participation in the program to students with physical or mental disabilities who are eligible for post-secondary transition services. Furthermore, this measure provides that the student is an employee of the State, and the State is the responsible employer for workers' compensation purposes.

Your Committee finds that this bill gives young adults real work experience and prepares them for entry-level jobs directly out of high school. Moreover, this bill creates a win-win situation for both participating businesses and students.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2197, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 2761 Ways and Means on S.B. No. 2201

The purpose of this measure is to appropriate \$120,000 toward the "Parent Project", a program to enable parents to use effective prevention and intervention techniques to change the destructive behavior of their strong-willed and out-of-control children.

Your Committee finds that the Parent Project is a vital element in the Department of Education's efforts to address the parenting skills of the parents of certain public school children and adolescents. The Project provides an immeasurable support to both family and child, and creates improvements in family and child relationships, child behavior at both school and home, and academics and school attendance.

Your Committee has amended this measure by deleting the appropriation amount of \$120,000, and leaving it blank to promote further discussion and development on an appropriate dollar amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2201, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2201, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 2762 Ways and Means on S.B. No. 2222

The purpose of this measure is to expand eligibility for the Bridge to Hope program to include persons in the Temporary Assistance to Other Needy Families program.

The bill also appropriates funds to the Bridge to Hope program which supports recipients pursuing post-secondary education to achieve economic self-sufficiency.

Your Committee finds that the Bridge to Hope program is a model partnership between the University of Hawaii and the Department of Human Services supporting post-secondary education as a means for welfare recipients to achieve life-long economic self-sufficiency, leaving not only welfare but poverty behind.

Further, your Committee finds that the State's first to work education policy is available to both federally-funded and state-funded Temporary Assistance to Other Needy Families recipients. However, the statutory language establishing the Bridge to Hope program refers only to the federally-funded Temporary Assistance to Other Needy Families single parents. This measure opens the doors to state-funded Temporary Assistance to Other Needy Families recipients so they too may realize their full potential through post-secondary education.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2222, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 2763 (Majority) Ways and Means on S.B. No. 2256

The purpose of this measure is to fund ten full-time personnel clerk positions within the Department of Education.

Your Committee finds that due to the lack of adequate staffing in the Department of Education, public school teachers experience unreasonable delays in the processing of their reclassifications upon qualification for a higher class of service. This results in a corresponding delay in the receipt of teacher salary increases. Your Committee believes that adequate staffing is necessary to reduce overtime hours for personnel staff and to ensure that teachers are being reclassified and paid their salary increases in a timely manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2256 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Kim, Sakamoto).

SCRep. 2764 Ways and Means on S.B. No. 2264

The purpose of this measure is to appropriate general funds to the University of Hawaii for a master of social work degree program delivered through a distance education format.

Your Committee finds that the School of Social Work at the University of Hawaii at Manoa has been providing an outreach graduate program to the neighbor islands over the past fifteen years. However, funding for the program is now in jeopardy. The school can no longer continue the outreach program without additional funding.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2264, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 2765 Ways and Means on S.B. No. 2320

The purpose of this measure is to support the role of principals in the Department of Education (Department).

Specifically, this measure funds ten additional permanent vice principal positions to be assigned by the Department to schools based upon the greatest need.

Your Committee finds the role of principals and scope of their activities has evolved over time, so that they are faced with a larger number of tasks related to facilities, paperwork, and other logistical matters. Many of these matters are delegated to vice principals, educational officers, business managers, and other subordinates, so that principals can focus on being effective leaders of their learning communities.

Your Committee has made technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2320, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2320, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kanno, Kawamoto Trimble).

SCRep. 2766 Ways and Means on S.B. No. 2379

The purpose of this measure is to establish a construction research program within the College of Engineering of the University of Hawaii. The measure also appropriates an unspecified sum to plan, design, implement, and operate the program.

Your Committee finds that, among its many tasks, the functions of the construction research program are to:

- (1) Perform a comprehensive analyses of the construction industry in Hawaii;
- (2) Study labor conditions, productivity, capital financing, and other issues to enhance the knowledge and technology base of construction in Hawaii;
- (3) Provide decision making information to government decision makers on appropriate construction costs;
- (4) Coordinate and provide technical assistance and educational information to appropriate organizations and contractors; and
- (5) Provide advocacy to the Legislature relating to future legislative changes to improve the construction industry in Hawaii.

Your Committee believes that a construction research program ultimately will result in improved construction practices that are both efficient and cost-saving, producing benefits to the construction industry, consumers, and the State.

Your Committee has amended this measure by:

- (1) Making technical nonsubstantive changes for clarity and consistency; and
- (2) Changing the effective date to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2379, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2379, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kanno, Kawamoto, Trimble).

SCRep. 2767 Ways and Means on S.B. No. 2425

The purpose of this measure is to provide more of a New Century Charter School's per pupil allocation earlier in the year. Specifically, the bill adjusts the scheduled computation and distribution of funds to charter schools from forty per cent by August 1, to fifty per cent by July 20, and twenty per cent to ten percent by January 1.

This bill will also allow the Legislature to:

- (1) Adjust the most recent Department of Education annual financial report for general fund appropriations for charter schools; and
- (2) Make additional appropriations for fringe and other employee benefits and facility costs.

Your Committee finds that this measure will eliminate uncertainties by expediting funding to charter schools and firm up the number of students at an earlier date, which will be used to compute the funding allocation for the school year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2425, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Trimble).

SCRep. 2768 (Majority) Ways and Means on S.B. No. 2426

The purpose of this measure is to establish the Center for School Redesign as part of the College of Education at the University of Hawaii at Manoa.

The bill also appropriates \$250,000 to establish the Center, and requires the Center to convene an advisory committee to assist the Center in fulfilling its purpose.

Your Committee finds that educational research shows that smaller schools contribute to student achievement. This is an opportunity to develop a school design based on research, best practice, data, and collaborative planning efforts that include participation by the Department of Education and community organizations.

Upon further consideration, your Committee has amended this measure by changing the appropriated amount from \$250,000 to an unspecified amount, and by changing the effective date to July 1, 2050 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2426, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2426, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Kawamoto, Kim, Sakamoto).

SCRep. 2769 Ways and Means on S.B. No. 2429

The purpose of this measure is to appropriate \$100,000 for the University of Hawaii Student Caucus to hold meetings with its member campuses and constituents.

Your Committee finds that the Board of Regents officially recognizes the University of Hawaii Student Caucus because of its critical role in advancing the mission of the institution. The Caucus represents more than fifty thousand University of Hawaii students across the State, and is charged with the task of advocating for students to provide meaningful input in all decisionmaking matters relating to the University of Hawaii. This measure is vital to ensuring that the students continue to be heard in all university policies.

Your Committee has amended this measure by deleting the appropriation amount of \$100,000 and leaving it blank for further discussion and development on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2429, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2429, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Trimble).

SCRep. 2770 (Majority) Ways and Means on S.B. No. 2478

The purpose of this measure is to authorize the Department of Education to assess and collect impact fees by intergovernmental agreement with a county, as fair share contributions of developers for the construction of state public school facilities.

In addition, this measure:

- (1) Creates a new state educational facilities impact fee trust fund for the Department of Education to deposit and expend impact fees to plan, design, acquire land for, and construct specific state educational facilities identified in a needs assessment study prepared by the Department of Education;
- (2) Allows the counties to assess, collect, and transfer to the Department of Education impact fees it collects pursuant to an intergovernmental agreement; and
- (3) Allows the Land Use Commission to impose conditions in its decisions on boundary amendment petitions requiring fair share contributions for the Department of Education.

Your Committee has amended this measure by making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2478, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2478, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Kim, Sakamoto).

SCRep. 2771 Ways and Means on S.B. No. 2538

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Iolani School.

This measure authorizes the issuance of special purpose revenue bonds, pursuant to part VIII, chapter 39A, Hawaii Revised Statutes, in a total amount not to exceed \$30,000,000 to assist Iolani School, in the planning, construction, and improvement of its facilities.

Your Committee finds that the financing of the project contemplated in this measure constitutes assistance to not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities that serve the general public.

Your Committee has made technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2538, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2538, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2772 Ways and Means on S.B. No. 2613

The purpose of this measure is to appropriate \$880,000 for the Families for Resources for Early Access to Learning Program (R.E.A.L.).

Your Committee finds that the R.E.A.L. program is established in three of seven Department of Education school districts. Establishing anchor sites within the other four school districts would create a truly statewide system that would actively support children coming to school ready to learn.

Upon further consideration, your Committee has amended this measure by:

- (1) Changing the \$880,000 appropriated amount to an unspecified amount to facilitate further discussion;
- (2) Inserting the four school districts in the appropriation section for the sake of clarity; and
- (3) Making several technical nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2613, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2613, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Trimble).

SCRep. 2773 Ways and Means on S.B. No. 2671

The purpose of this measure is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist The Congregation of Christian Brothers, Inc. dba Damien Memorial High School to finance or refinance the planning, acquisition, construction, or improvement of its educational facilities.

Your Committee finds that the planning, acquisition, construction, or improvement constitutes a project and the financing or refinancing of the project constitutes assistance to a not-for-profit private nonsectarian and sectarian elementary school and secondary school enterprise. Furthermore, your Committee finds that the bonds issued under this measure are issued pursuant to the power of the State to issue special purpose revenue bonds to assist a not-for-profit private nonsectarian and sectarian elementary school and secondary school enterprise.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2671, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2774 Ways and Means on S.B. No. 2790

The purpose of this measure is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist Haleakala Waldorf School to finance or refinance the planning, acquisition, construction, or improvement of its educational facilities.

Your Committee finds that the planning, acquisition, construction, or improvement of the facilities at the Haleakala Waldorf School constitutes a project and the financing or refinancing of the project constitutes assistance to a not-for-profit private nonsectarian and sectarian elementary school and secondary school enterprise. Furthermore, your Committee finds that the bonds issued under this measure are issued pursuant to the power of the State to issue special purpose revenue bonds to assist a not-for-profit private nonsectarian and sectarian elementary school and secondary school enterprise.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2790, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2775 Ways and Means on S.B. No. 2791

The purpose of this measure is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist Montessori School of Maui, Inc., to finance or refinance the planning, acquisition, construction, or improvement of its educational facilities.

Your Committee finds that the planning, acquisition, construction, or improvement constitutes a project and the financing or refinancing of the project constitutes assistance to a not-for-profit private nonsectarian and sectarian elementary school and secondary school enterprise. Furthermore, your Committee finds that the bonds issued under this measure are issued pursuant to the power of the State to issue special purpose revenue bonds to assist not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities that serve the general public.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2791, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2776 (Majority) Ways and Means on S.B. No. 3011

The purpose of this measure is to better enable retired teachers to work as substitute teachers.

Specifically, this bill exempts for ten years after their retirement, licensed or certified teachers from the prerequisite coursework that the Department of Education otherwise requires of substitute teachers.

Your Committee finds that it is important for the Department of Education to have access to substitute teachers with high standards and qualifications. Your Committee also finds that retired teachers already possess the requisite skills and knowledge to be effective substitute teachers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3011, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (Hooser).

SCRep. 2777 Ways and Means on S.B. No. 3013

The purpose of this measure is to subject any funds that are transferred from the University of Hawaii tuition and fees special fund to the University of Hawaii Foundation to audit by the State Auditor.

The measure requires that the same privacy rights of donors regarding records disclosures that apply to the University of Hawaii Foundation also apply to the State Auditor. Furthermore this bill specifies the items that the University of Hawaii must include in its report to the Legislature on the funds transferred to the University of Hawaii Foundation.

The University of Hawaii Foundation has maintained that the present law exempts the University of Hawaii Foundation from providing information and documents requested by the State Auditor when reviewing contracts between the University of Hawaii and the University of Hawaii Foundation. Your Committee finds that the audits contemplated under this measure are no different from the audits that the State Auditor performs in other situations in which private vendors receive funds from the State and will allow the Auditor to determine whether expenditures of state moneys from the tuition and fees special fund are proper.

Your Committee has amended the measure by clarifying that the report must identify any fund of the University of Hawaii to which moneys from the tuition and fees special fund are transferred by the University of Hawaii Foundation. Your Committee has also amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3013, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3013, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2778 Ways and Means on S.B. No. 3039

The purpose of this measure is to appropriate \$142,000 in state matching funds for the administration of the Hawaii Commission for National and Community Service.

Your Committee finds that the Hawaii Commission for National and Community Service has provided a wide variety of valuable community service opportunities for Hawaii's young people, including programs well-regarded by the national AmeriCorps organization. Providing the Hawaii Commission for National and Community Service with matching funds will assist them to continue their operations by attracting additional federal funding.

Upon further consideration, your Committee has amended this bill to delete the specific dollar amount of the appropriation to make it an unspecified amount for the purpose of promoting further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3039, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3039, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2779 Ways and Means on S.B. No. 3086

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$20,000,000 to assist Island Pacific Academy in the planning and construction of its educational facilities.

Your Committee finds that the issuance of special purpose revenue bonds for this school serves a valuable public purpose by making much-needed educational facilities available to the students of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3086 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2780 Ways and Means on S.B. No. 3112

The purpose of this measure is to allow the Department of Education to hire professionals as exceptional teachers.

The bill also authorizes alternatives to teacher licensing based on performance-based standards equivalent with professional experience.

Your Committee finds that the State faces a critical shortage of teachers to staff its classrooms. By allowing professionals to work as exceptional teachers, the State taps into a very capable and abundant resource of Hawaii's people, many of whom desire to give back to the community by educating our youth.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to promote further discussion and development on this measure. Technical, nonsubstantive amendments have also been made for the purposes of clarity and uniformity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3112, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3112, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Trimble).

SCRep. 2781 Ways and Means on S.B. No. 3148

The purpose of this measure is to establish a noncontiguous host culture charter school district as a five-year pilot demonstration project that shall:

- (1) Qualify as a local educational agency;
- (2) Work collaboratively with, but not be supervised or controlled by, the Board of Education, the Superintendent of Education, and the Charter School Executive Director; and
- (3) Be monitored by a nine-member host culture district council.

The host culture district council receives and responds to annual self-evaluation reports received from each host culture focused charter school. During the fourth year of the demonstration pilot project, the council is required to evaluate the effectiveness of the host culture focused charter approach and make recommendations whether the project should be modified, expanded, or terminated to the Legislature. The council is charged with administrative supervision of all host culture focused charter schools. The Attorney General is charged with legal representation of the host culture district council, the host culture charter school district, and the host culture focused charter schools.

The measure also establishes an additional noncontiguous charter school district five-year pilot demonstration project that may include existing charter schools located throughout the State. This noncontiguous charter school district is authorized to participate in tax-exempt bond programs and has rights, duties, and accountability requirements that are similar to those applicable to the noncontiguous host culture charter school district discussed above.

The bill also amends section 26-35.5, Hawaii Revised Statutes, to provide that members of the host culture district council are members of a state board who are entitled to immunity from or indemnification for civil liability and legal representation and defense in civil actions for damage, injury, or loss caused in the performance of the member's duties. Finally, the bill appropriates an

unspecified amount of general revenues to establish the noncontiguous host culture charter school district and to hire necessary staff and council.

Your Committee finds that charter schools offer many new paths to learning, including rigorous traditional cultural programs, community and technological resources, and virtual learning systems. They also provide smaller-scale and more personalized learning environments for students. Your Committee believes the establishment of a noncontiguous host culture charter school district will strengthen currently existing host culture charter schools and provide opportunities for these schools to receive federal funding.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and uniformity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3148, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3148, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kawamoto, Tsutsui, Trimble).

SCRep. 2782 (Majority) Ways and Means on S.B. No. 3231

The purpose of this measure is to allow stipends for tutors and other volunteers who help schools before, during, and after school hours.

In addition, the bill excludes the stipends from the income tax and specifies that the tutors and volunteers are not state employees.

Your Committee finds that tutors and other volunteers fill important needs and roles in the public schools and in the education of Hawaii's children that might otherwise not be met or filled. The stipends will help to ensure that these needs continue to be met. In addition, a stipend will provide the tutors and other volunteers with a tangible symbol recognizing their contributions.

Your Committee made technical, nonsubstantive amendments to this measure for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3231, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3231, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Trimble). Excused, 2 (Kim, Sakamoto).

SCRep. 2783 Judiciary and Hawaiian Affairs on S.B. No. 1362

The purpose of this measure is to allow the Department of Health to expand its capacity to obtain verifiable information regarding the criminal history of potential employees and contract providers to both mental health divisions. This measure also increases the appropriation ceiling of the criminal history record improvement revolving fund to accommodate this measure.

Testimony in support of this measure was submitted by the Department of Health.

Your Committee finds that current laws allow investigations into criminal histories of potential employees and contract providers who have contact with clients of the child and adolescent mental health division. This type of information has proven to be very helpful in ensuring the safety of clients as well as improving the quality of care provided. Therefore, your Committee finds that the adult mental health division should have the same opportunity to provide a safer environment and high quality services.

Your Committee adopted the amendments suggested by the Department of Health to replace the contents of this measure. Specifically, your Committee notes that this measure was passed through its first committee in 2003 and was carried over from the 2003 legislative session. However, this measure originally proposed to amend section 846-45, which was repealed in Act 95, Session Laws of Hawaii 2003.

Thus, the Department of Health changes adopted by your Committee update this measure to amend the current laws. Specifically, the amendments made were to include criminal history background checks of potential employees and contract providers for the adult mental health division by amending sections 321-171.5, 378-2.5, and 846-2.7, Hawaii Revised Statutes.

Your Committee has also amended this measure by:

- (1) Deleting part II of this measure to remove the appropriations portion of this measure; and
- (2) Amending the effective date to "upon its approval."

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1362, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1362, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Kawamoto).

SCRep. 2784 Judiciary and Hawaiian Affairs on S.B. No. 2017

The purpose of this measure is to impose stricter penalties on persons convicted of racing on highways at greater than thirty miles per hour over the posted speed limit; provide for forfeiture of a vehicle involved in a race on highways; and clarify the basis of the forfeiture.

Testimony in support of the measure was submitted by the Department of Transportation and a concerned individual. Testimony in opposition to the measure was submitted by the Office of the Public Defender and Police Department of the City and County of Honolulu.

Your Committee finds that recent racing incidents resulting in tragic fatalities compel the revision of the state vehicle racing laws to deter that dangerous behavior. Your Committee believes that stricter penalties for persons convicted of racing on highways are needed because the current penalties do not appear to act as a sufficient deterrent.

Your Committee has amended the measure by expanding it from a two-tier system to a three-tier system. The amended version of this measure now provides the following penalties:

- (1) A fine of not more than \$2,000, a term of imprisonment of not more than one year, or both, and a one-year license suspension for the first offense;
- (2) A three-year license suspension and a possible vehicle forfeiture under chapter 712A, if the vehicle owned by the defendant is used in the commission of the present offense and has been used in a prior offense that resulted in a conviction, for an offense that occurs within five years of a prior offense; and
- (3) A fine of not more than \$10,000, conviction of a class C felony, or both, and a five-year license suspension for an offense that occurs within five years of two prior convictions.

Your Committee also amended this measure to change the effective date to July 1, 2010 to continue discussion on these provisions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2017, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2017, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2785 Judiciary and Hawaiian Affairs on S.B. No. 2018

The purpose of this measure is to strengthen the child safety seat law by requiring child safety seat or booster seat usage for children over four years, but less than eight years old and to define "restrained" under that law.

Testimony in support of this measure was received from the Department of Transportation, Department of Health, Disability and Communication Access Board, Honolulu Police Department, Maui Police Department, Hawaii County Fire Department EMS Division, a member of the Hawaii County Council, Waianae Coast Comprehensive Health Center, Kapi'olani Medical Center for Women and Children, Waimanalo Health Center, American Medical Response, Mothers Against Drunk Driving-Hawaii, Keiki Injury Prevention Coalition, Good Beginnings Alliance, State Farm Mutual Automobile Insurance Company, and seventeen concerned individuals. Comments were received from Hawaii Association of Independent Schools.

Your Committee finds persuasive the overwhelming testimony indicating that the proper use of child passenger restraints is the most important factor in preventing death and disability in a car crash. Your Committee finds that a normal seat belt provides insufficient protection for children ages four to eight because those seat belts are designed for adults and persons of larger stature. Requiring the use of child safety or booster seats will provide substantial protection to these vulnerable children.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2018, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ihara, Hogue).

SCRep. 2786 Judiciary and Hawaiian Affairs on S.B. No. 2024

The purpose of this measure is to enact a new penalty for drivers who violate pedestrians' rights under the statewide traffic code, and to clarify drivers' duties when pedestrians are crossing at crosswalks not having a traffic signal or an inoperable traffic signal.

This measure further provides that:

- (1) Whenever any vehicle is stopped at a marked crosswalk or at an unmarked crosswalk at an intersection to permit a pedestrian to cross the roadway, the driver of another vehicle approaching from the adjacent lanes to the rear of the stopped vehicle may proceed no further than the front bumper of the stopped vehicle and must come to a stop;

- (2) A pedestrian is prohibited from crossing outside of a marked crosswalk at an intersection, or within 200 feet of an intersection or marked crosswalk in residential areas; and
- (3) A pedestrian is prohibited from crossing a roadway at a point where a pedestrian tunnel or overhead pedestrian crossing has been provided.

Testimony in support of this measure was received from the Department of Transportation and Honolulu Police Department.

This measure imposes a three-tier system of fines for the first, second, and third conviction within a specified time interval.

Your Committee finds that Hawaii drivers are generally in a hurry on the road, causing them to fail to yield the right of way to pedestrians. While there may be contrary attitudes as to which should have the right of way, one thing is clear: the moving vehicle is a dangerous instrument when facing a pedestrian. As such, it is incumbent upon your Committee to provide for a penalty to drivers who do not yield the right of way to pedestrians and to clarify the law on pedestrian rights when crossing.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2024, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Hogue).

SCRep. 2787 Judiciary and Hawaiian Affairs on S.B. No. 2088

The purpose of this measure is to delete the term “terminal condition” as the sole circumstance when “comfort care only-do not resuscitate” protocols may be initiated by the in-the-field emergency response personnel.

Testimony in support of this measure was submitted by the Department of Health and Compassion in Dying of Hawaii.

Your Committee finds that it is important to respect and protect an individual’s end of life decisions. Your Committee believes that this measure clarifies that it is an individual’s decision whether resuscitation efforts should be done if his or her heart stops beating or he or she stops breathing.

Your Committee further notes concerns regarding the availability of comfort care only-do not resuscitate bracelets and necklaces. Testimony heard by your Committee indicates that receipt of bracelets and necklaces take approximately six weeks. Your Committee finds that six weeks is too long to wait for bracelets and necklaces and recommends the Department of Health look into securing suppliers that can provide them in a shorter amount of time.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2088, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Hogue).

SCRep. 2788 Judiciary and Hawaiian Affairs on S.B. No. 2091

The purpose of this measure is to authorize the Department of Health to adopt administrative rules to establish a process allowing involuntary medication of certain psychiatric patients institutionalized at the Hawaii State Hospital to alleviate mental illness and restore competency while protecting the rights of patients.

This measure also requires the Department of Health to report to the Legislature after three years, and provides that the measure sunsets after five years.

Testimony in support of the measure was submitted by the Department of Health, Healthcare Association of Hawaii, and Hawaii Government Employees Association. Testimony in opposition to the measure was submitted by the Hawaii Disability Rights Center and National Alliance for the Mentally Ill-Oahu. The Department of the Attorney General and Office of the Public Defender submitted comments on the measure.

Your Committee finds that there must be a careful balance between the need for involuntary medication and psychiatric treatment under certain conditions and the rights of patients. Your Committee believes sufficient safeguards for patient’s rights are incorporated in the administrative process for involuntary medication and psychiatric treatment in this measure. However, the issues raised in testimony on this measure raise concerns that merit further consideration.

Your Committee intends to move this measure to provide the Department of Health, Healthcare Association of Hawaii, Hawaii Government Employees Association, Hawaii Disability Rights Center, and National Alliance for the Mentally Ill-Oahu further opportunity to confer and collaborate in preparing language for the measure that is mutually agreeable to the participants. It is your Committee’s further intent that the Healthcare Association of Hawaii act as the facilitator for that collaborative effort.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2010 to ensure ongoing discussions on these issues, and has made technical, nonsubstantive changes for style and to correct punctuation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2091, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2091, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2789 Judiciary and Hawaiian Affairs on S.B. No. 2237

The purpose of this measure is to establish a new offense of operating a vehicle with a measurable amount of illegal drugs in a person's blood or urine, without the need to show that the drug must have impaired the person's ability to operate a vehicle in a careful and prudent manner. The measure also requires drug testing for anyone arrested for driving under the influence of alcohol.

Testimony in support of this measure was submitted by the Department of Transportation, Department of the Prosecuting Attorney for the County of Maui, and Honolulu Police Department. Testimony in opposition to this measure was submitted by the Office of the Public Defender, the Drug Policy Action Group, and one individual. Comments were also submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu and Mothers Against Drunk Driving Hawaii.

Your Committee finds that a person commits this offense, of operating a vehicle after consuming a measurable amount of illegal drugs, if the person operates or assumes actual physical control of a vehicle with a measurable amount of any illegal drug in the person's blood or urine. This measure clarifies existing law by making specific reference to dangerous drugs, detrimental drugs, harmful drugs, intoxicating compounds, marijuana, and marijuana concentrates under the penal code and the controlled substances law. This measure further provides for a graduated system of punishment for repeat offenders.

Existing law covers operating a vehicle under the influence of an intoxicant, section 291E-61, Hawaii Revised Statutes. An offense under this section requires that an intoxicated person's ability to operate a motor vehicle be impaired. This measure does not make that condition an element of the offense, easing the burden of proof on the prosecution.

While your Committee finds that this provision is intended to protect the health and safety of the public, your Committee also notes serious concerns regarding several issues. Specifically, your Committee:

- (1) Finds apprehension in providing that this measure creates an offense for a person with any measurable amount of illegal drugs in their blood and urine, regardless of whether the amount is enough to impair the person's ability to operate a vehicle;
- (2) Notes concerns that this measure does not articulate an exemption for measurable amounts of marijuana used legally under part IX of chapter 329;
- (3) Notes concerns with the police officer having the option for a person to be administered a blood or urine test. Your Committee believes that the choice between a blood or urine test should be left to the person; and
- (4) Notes concerns that this measure creates too much discretionary powers for the police, tempting police officers to abuse these provisions by harassing certain individuals, which is not the intent of your Committee.

Your Committee has amended this measure to address some of these concerns. Specifically, your Committee:

- (1) Articulated that marijuana used for medical purposes, as provided for in part IX in chapter 329, Hawaii Revised Statutes, is a legal substance not prohibited under this measure;
- (2) Provides that a person may elect to take a blood or urine test, or both, for the purpose of determining the person's illegal drug content; and
- (3) Changed the effective date of this measure to July 1, 2010, to continue discussions on this measure.

Your Committee also adopted the amendments suggested by the Honolulu Police Department to remove the provision that the "law enforcement officer shall inform the person of the sanctions under section 291E-41, including the sanction for refusing to take a breath, blood, or urine test." Your Committee also amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2237, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2237, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2790 Judiciary and Hawaiian Affairs on S.B. No. 2358

The purpose of this measure is to establish a process for resolving construction disputes that provides a contractor with the opportunity to repair a construction defect prior to the dispute proceeding to litigation.

Testimony in support of this measure was received from the Judiciary, Insurance Division of the Department of Commerce and Consumer Affairs, Building Industry Association-Hawaii, Coalition of Hawaii Engineering & Architectural Professionals, General

Contractors Association of Hawaii, Subcontractors Association of Hawaii, Paul Louie & Associates, Inc., Hidano Construction, Inc., T-2 Construction, Actus Lend Lease, and Land Use Research Foundation of Hawaii. Testimony in opposition was received from the Community Associations Institute (Hawaii Chapter) and Consumer Lawyers of Hawaii.

Your Committee finds that this measure provides homeowners and others suffering from construction defects in their residences and premises with a speedy and precise resolution to their problems by implementing important changes in the way builders are able to meet the needs of owners. This measure enables the resolution of claims for construction defects without incurring the high costs of litigation. Your Committee further finds that this measure would bring down the costs of liability insurance for contractors while protecting the rights and interests of Hawaii's citizens.

Your Committee has amended this measure by:

- (1) Requiring a contractor to serve written notice of the claim on the subcontractor;
- (2) Deleting the term "nonbinding" in "nonbinding mediation" to read "mediation"; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2358, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2358, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2791 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 2395

The purpose of this measure is to exempt the Hawaii Convention Center from the freedom of information law, upon request by a potential licensee, if compliance would result in the non-execution of a license agreement.

Testimony in support of this measure was submitted by the Hawaii Tourism Authority. Testimony in opposition was submitted by the Hawaii Chapter of the Society of Professional Journalists. Comments were received from the Department of Business, Economic Development and Tourism and Office of Information Practices.

Your Committee finds that there is a need for the Hawaii Convention Center to prevent information normally disclosed under freedom of information laws to be kept confidential for a period of time. Your Committee finds that this need is necessary to facilitate bookings at the Hawaii Convention Center.

Specifically, this measure addresses the situation where a potential licensee requests the pre-booking and booking information, including the license agreement, to be kept confidential. A licensee may want to do this for a variety of reasons, including maintaining privacy of planned corporate activities and of corporate publicity. Some companies include a nondisclosure provision in their license agreements as a standard procedure. Testimony indicated that a potential licensee may decide to book at another convention center if the booking information cannot be kept confidential.

Following the hearing on this measure, the Department of Business, Economic Development and Tourism, Hawaii Tourism Authority, and Office of Information Practices mutually agreed on amendments to this measure. Upon receipt of these amendments, your Committee adopted the changes and amended this measure by:

- (1) Allowing information regarding the event to be released ten days after the event occurs; and
- (2) Allowing the booking business records to be disclosed if the event is cancelled.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2395, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2395, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Ihara). Excused, 1 (Hogue).

SCRep. 2792 Judiciary and Hawaiian Affairs on S.B. No. 2448

The purpose of this measure is to compensate family members of murder, manslaughter, and negligent homicide victims for mental health counseling services.

Testimony in support of this measure was received from the Crime Victim Compensation Commission, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Hawaii County Office of the Prosecuting Attorney, Mothers Against Drunk Driving-Hawaii, and Sex Abuse Treatment Center.

Your Committee finds that there is a significant gap in the current provisions of Hawaii's Crime Victims Compensation statute as a lack of coverage exists for the families of victims of crimes resulting in the death of the victim. Of particular concern is the inability to

provide compensation to cover counseling expenses when a relative has witnessed the events that lead to the victim's death. Your Committee finds that the mental health counseling provided for in this measure is essential to the survivors' recovery.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2448 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Kawamoto).

SCRep. 2793 Judiciary and Hawaiian Affairs on S.B. No. 2560

The purpose of this measure is to create a right of publicity law to allow recording artists, television personalities, and other media celebrities to control the use of their identity for commercial purposes during their life and after their death.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism (DBEDT). Testimony in opposition was received from the Motion Picture Association of America (MPAA).

Your Committee finds that the right of publicity is the right of every person to control the commercial use of his or her identity. This measure creates a clear statutory cause of action for infringement of the right of publicity as well as expressly recognizes a post mortem right of publicity. This measure will be beneficial for Hawaii artists and continue to make Hawaii a desirable place for artists, actors, and performers to live and do business.

Your Committee notes the testimony of the MPAA that measures such as this in other states have had a mixed response, with many states declining to enact a law due to its complexity, among other things. Your Committee believes that while the intended protections are worthwhile from the celebrity's standpoint, there may be unintended consequences, as stated by DBEDT, that if the law is too restrictive, the law could steer production away from Hawaii.

Your Committee is further concerned about the possible first amendment issues arising from such things as impersonation of a recording artist. This could result in the law being voided by the courts on constitutional grounds. Nevertheless, your Committee passes this measure in the interests of continuing the discussions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2560, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Hogue).

SCRep. 2794 Judiciary and Hawaiian Affairs on S.B. No. 2577

The purpose of this measure is to amend the law on proceedings and records of peer review committees and quality assurance committees.

Specifically, the measure amends the laws by:

- (1) Clarifying that the function of a quality assurance committee is to identify, study, and correct deficiencies in the health care delivery system in order to reduce the risk of harm to patients and improve patient safety or improve the quality of care;
- (2) Adding health care review organizations to the entities whose proceedings and records are not discoverable and defining health care review organization;
- (3) Clarifying that proceedings and records that are not discoverable include recordings, transcripts, minutes, and summaries of meetings, notes, materials, or certain reports; and
- (4) Exempting from the prohibition against discovery the statements made by any person contesting, in a court proceeding or other due process hearing, a hospital's decision to deny a request for privileges or restrict existing privileges.

Testimony in support of this measure was received from the Healthcare Association of Hawaii, Hawaii Pacific Health, and Hawaii Medical Association. Testimony in opposition was received from the Consumer Lawyers of Hawaii.

Your Committee believes that the most significant provision of this measure is the inclusion, in the entities, of a health care review organization whose proceedings are not discoverable. A health care review organization is defined as any organization that gathers and reviews information about procedures and outcomes of health care providers and the care and treatment of patients for purposes of evaluating and improving the quality and efficiency of health care. Similar changes were inserted into the definition of quality assurance committee.

Your Committee finds that nationally, the trend is to design medical error reporting systems that encourage full and open reporting of medical errors and adverse outcomes while protecting the data collection and reporting process. To date, there is no centralized medical error reporting system and little reliable data are available to identify Hawaii's patient safety issues at the statewide level.

Your Committee further finds that Hawaii's peer review protection law (section 624-25.5, Hawaii Revised Statutes) is narrow in scope and does not provide adequate protections for hospitals, physicians, and other health care providers to encourage open

discussions about medical errors and adverse outcomes. Before a medical error reporting system can become operational in Hawaii, statutory protection for the generation and reporting of information is required.

Accordingly, your Committee determines that this measure should proceed unamended in order to facilitate further discussion, and to allow the interested parties, specifically Hawaii Pacific Health and the Consumer Lawyers of Hawaii, to continue to work on crafting agreeable language.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2577, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 2795 Judiciary and Hawaiian Affairs on S.B. No. 2607

The purpose of this measure is to prevent the adoption of a child of a Marshallese citizen within the State without prior written approval of the appropriate court of the Republic of the Marshall Islands.

Testimony in support of this measure was submitted by the Department of Human Services; Healthy Mothers, Healthy Babies; Kaiser Permanente; Small Island Networks; and two private citizens. Testimony in opposition to this measure was submitted by a private citizen. Comments on the measure were also submitted by a private citizen.

Your Committee finds that, pursuant to a Healthy Mothers, Healthy Babies survey conducted in 2002, it was revealed that private adoption agencies were bringing Marshallese women to Hawaii during the late stages of their pregnancies so that their babies could be adopted domestically. Your Committee is concerned as to whether these women were making informed decisions to permanently give up their children for adoption, particularly in light of difficulties presented as a result of cultural and language barriers.

Your Committee further finds that in 2002, the Republic of the Marshall Islands established the Central Adoption Authority to oversee the adoption of all resident children of the Marshall Islands. The law acts to preserve local cultural traditions regarding adoption and to protect against the coerced adoption of Marshallese children by foreigners. Your Committee determines that in recognition of the policy determinations of the Marshall Islands, as well as the disconcerting practice of taking these Marshallese children away from their families and culture, deference should be given to the courts of the Marshall Islands to exercise their authority in this area.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2607, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2796 Judiciary and Hawaiian Affairs on S.B. No. 2704

The purpose of this measure is to require the disclosure of any release or waiver of liability for a construction defect by a seller of residential real property.

Six individuals testified in support of the measure.

Your Committee finds that this measure protects prospective purchasers of residential real property by providing them with relevant and necessary information relating to construction defects prior to making a purchase of residential real property. The availability of this information will protect Hawaii's consumers by allowing them to make informed decisions regarding the purchase of any residential real property.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2704 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2797 Judiciary and Hawaiian Affairs on S.B. No. 2779

The purpose of this measure is to amend the law relating to the practice of traditional Hawaiian healing.

Specifically, this measure:

- (1) Provides that traditional Hawaiian healing practices be regulated by an Elders' Council;
- (2) Removes language which precludes individuals or organizations involved in the selection of panel members or the denial of certification of healers to be liable for causes of action arising from their participation in the selection or certification process;
- (3) Provides that the Elders' Council be independent from the State, and not subject to chapters 91 and 92, Hawaii Revised Statutes; and

- (4) Requires the Elders' Council to develop any necessary or appropriate policies, procedures, or rules regarding the certification of traditional Hawaiian healers.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Papa Ola Lokahi, the Traditional Native Hawaiian Healing Center, AlohaCare, and two private citizens.

Your Committee finds that the practice of traditional Hawaiian healing is a valuable practice that must be preserved and protected to ensure that it will not be lost for future generations. In recognition of this concern, the Legislature, pursuant to Act 304, Session Laws of Hawaii 2001, permanently exempted Hawaiian healers from being required to obtain medical licenses and established a panel to address relevant issues regarding Hawaiian healing practices. Your Committee determines that it is the kupuna who are the keepers and protectors of indigenous knowledge; therefore, the creation of an Elders' Council to oversee Hawaiian healing practices will effectively honor their wisdom and position.

Your Committee also determines that, keeping with the intent of the current state of the law, individuals involved in the certification process or the selection of members of the Elders' Council should be exempt from liability relating to their involvement. Finally, as there has been a lack of discussion on this issue by the Hawaiian Caucus, your Committee believes that the measure should continue to proceed as a necessary vehicle and to allow review and assessment of the relevant issues involved.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that healing practices by "traditional" Hawaiian healers engaged in traditional native Hawaiian healing practices shall not be prohibited under section 453-2, Hawaii Revised Statutes;
- (2) Prohibiting persons or organizations involved with the selection of Elders' Council members or the certification process from being held liable for causes of action resulting from their participation in the selection or certification process;
- (3) Providing for the convening of subsequent Elders' Councils in the event that Papa Ola Lokahi ceases to exist or is unable to act;
- (4) Clarifying that, not inconsistent with the initial policies of Papa Ola Lokahi, all Elders' Councils shall develop any necessary or appropriate policies, procedures, and rules for the certification of traditional Hawaiian healers;
- (5) Delaying the effective date to July 1, 2010 in order to provide the Hawaiian Caucus the opportunity to properly review and analyze the matter; and
- (6) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2779, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2779, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2798 Judiciary and Hawaiian Affairs on S.B. No. 2933

The purpose of this measure is to comply with recommendations of the federal Child and Family Services Review of Hawaii's child welfare system.

Specifically, this measure allows the Department of Human Services (DHS) to take specific action in cases involving harm to the child where the parent, legal guardian, or caregiver is non-compliant with any diversion services or has failed to demonstrate the ability to provide for the child's safety. The DHS, among other things, may refer that child and family to a state or community resource that provides the assistance needed to address the problems in the home.

Testimony in support of this measure was submitted by the Department of Human Services, Child Welfare Services, State Advisory Council, Blueprint for Change, and Hale Na'au Pono. Comments were also submitted by the Judiciary.

Your Committee finds that the federal Child and Family Services Review of Hawaii's child welfare system recommends the use of culturally sensitive, family-strengthening diversion and other supportive services to improve the safety and well-being of children and families. The amendments in this measure are necessary to comply with the federal recommendations.

This measure clarifies that caregiving of children outside of the family home by relatives and friends and other diversion and supportive services are available in lieu of taking custody of their children. This will ensure that the child will not be taken out of custody unnecessarily, and preserve the relationships that are important to the child's well-being.

Your Committee wishes to stress to the DHS that it should comply with the law set out in the Hawaii Supreme Court cases of In the Interest of Jane Doe, 65 P.3d 167 (2003), and In the Interest of John Doe, 74 P.3d 1007 (2003), to take necessary action in appropriate circumstances to protect the best interests of the child. Your Committee believes the DHS has the necessary statutory authority under this measure and existing law to adopt rules, if necessary.

Your Committee has amended the measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2933, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2933, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Hogue).

SCRep. 2799 Judiciary and Hawaiian Affairs on S.B. No. 2968

The purpose of this measure is to give the Department of Land and Natural Resources (department) the authority to establish and implement a civil natural resource violations system.

This measure also establishes an administrative violation system for the Kahoolawe island reserve and the state water code, and administrative and criminal penalties for public lands rule infractions.

Testimony in support of this measure was received from the Board of Land and Natural Resources.

The purpose of the civil natural resource violations system is to process violations of departmental regulations for which administrative penalties have been authorized by law. All natural resource infractions that the department identifies as subject to administrative penalties may be adjudicated under the new law.

Your Committee finds that a civil natural resource violations system within the Department of Land and Natural Resources will provide an efficient and effective alternative to the current judicial process by allowing for more flexibility and manageability, reducing caseload and cost, and providing surety and speed in outcome determinations.

On further review of this measure, your Committee finds that the legislative intent is to apply the Civil Natural Resource Violations Act to rule violations in chapter 171, Hawaii Revised Statutes, although the measure does not specifically mention its applicability under chapter 171 but does so for Kahoolawe island reserve and the state water code.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2968, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Hogue).

SCRep. 2800 Judiciary and Hawaiian Affairs on S.B. No. 3041

The purpose of this measure is to allow parents or guardians to admit individuals under the age of eighteen to nonemergency treatment facilities without the consent or countersignature of the individual.

Testimony in support of the measure was submitted by the Department of Health and Hawaii Psychiatric Medical Association. The Office of the Public Defender and Hawaii Medical Service Association submitted comments on the measure.

Your Committee finds that parents and legal guardians caring for older juvenile children with serious mental health illnesses are faced with tremendous challenges in making health care decisions for those children. Your Committee recognizes that situations exist that require those parents or legal guardians to intervene on behalf of a seriously ill child without obtaining the consent of the child. Your Committee also recognizes the need for a periodic independent review by a neutral fact finder to ensure that the child's input into decisions concerning admission to hospitals is considered.

Your Committee has amended this measure by deleting the definition for "medically necessary treatment"; specified that the definition of "medical necessity" is as defined in section 423E-1.4, Hawaii Revised Statutes; and making a technical, nonsubstantive change to correct a typographical error.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3041, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3041, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Kawamoto).

SCRep. 2801 Commerce Consumer Protection and Housing on S.B. No. 2092

The purpose of this measure is to recognize Canadian medical residency programs and the Canadian licensing examination for purposes of qualifying applicants for licensure as physicians.

The Hawaii Medical Service Association and Hawaii Medical Association testified in support of this measure. The Hawaii Coalition for Health opposed the measure. The Board of Medical Examiners submitted comments.

For purposes of qualifying applicants for licensure as physicians, the current law recognizes only residency programs accredited by the Accreditation Council for Graduate Medical Education (ACGME), a body that accredits only programs in the United States (U.S.). Your Committee finds that this limitation precludes many foreign medical school graduates from qualifying for licensure, including persons who have undergone training in residency programs comparable to residency programs in the U.S.

Your Committee further finds that Canadian residency programs are accepted by most other states as being comparable to U.S. residency programs. Therefore, this measure authorizes the recognition of residency programs approved by the Royal College of Physicians and Surgeons of Canada and the College of Family Physicians of Canada, and permits foreign medical school graduates with two years training in these programs or an ACGME-equivalent program to qualify for licensure. Additionally this measure recognizes the Medical Council of Canada Qualifying Examination for purposes of meeting the examination requirement for licensure.

Your Committee has amended this measure to repeal the Board's authority to accept qualifications based on training under an ACGME-equivalent residency program for graduates of U.S. medical schools and by deleting proposed language that would have established that same authority with respect to foreign medical school graduates. Your Committee also amended this measure by making technical, nonsubstantive changes for clarification and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2092, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2092, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Kim, Sakamoto).

SCRep. 2802 Commerce Consumer Protection and Housing on S.B. No. 2474

The purpose of this measure is to require electric utilities to establish renewable portfolio standards of twenty per cent by December 31, 2015, and thirty per cent by December 31, 2020, and to require the Public Utility Commission (PUC) to study the feasibility of implementing a rate structure and an incentives program to encourage the use of renewable energy.

Testimony in favor of the measure was received from the following: Department of Commerce and Consumer Affairs, PUC, Department of Business, Economic Development, and Tourism (DBEDT), Hawaii PV Coalition, Hawaii Renewable Energy Alliance, Honolulu Seawater Air Conditioning LLC, Na Leo Pohai, Powerlight Corporation, Apollo Energy Corporation, Maui Sierra Club, Hawaii Solar Energy Association, Vulcan Power Company, Sierra Club Hawaii Chapter, Life of the Land, Respiratory and Environmental Disabilities Association of Hawaii, and seventeen individuals. The Chamber of Commerce of Hawaii, Hawaii Business Roundtable, and Hawaiian Electric Company, Inc. opposed the measure.

Your Committee finds that the State must ensure greater use of its abundant renewable energy sources, including the sun, wind, ocean, and earth. The utilization of renewable energy offers numerous advantages, including the retention of dollars in the State's economy that would otherwise be paid out to import fossil fuels, economic diversification and job creation, and enhanced environmental protection. This measure would help to realize these benefits by requiring electric utilities to establish renewable portfolio standards (RPS) of twenty per cent of their net electricity sales by December 31, 2015, and thirty per cent by December 31, 2020. Further, these goals are consistent with the Administration's goal to achieve twenty per cent renewable energy use by 2020.

While your Committee supports the intent of this measure to increase Hawaii's usage of renewable energy sources, the testimonies presented indicate that several issues remain unresolved, and that further discussion and work on this measure is required.

One of the unresolved issues relates to the appropriate RPS levels that the law should establish since testifiers offered varying percentage amounts. Your Committee finds that it is critical to establish realistic and achievable RPS requirements since this measure establishes mandates, and several testifiers have advocated for the imposition of penalties upon parties that violate the mandates.

Other matters that require further consideration include, but are not limited to:

- (1) DBEDT's proposal to establish a mechanism for the review of RPS levels at certain time intervals prior to implementation to determine whether modifications are required in light of cost considerations and the state of the applicable technology;
- (2) The Consumer Advocate's proposal to assess achievement of RPS levels through measurement of energy use as opposed to measurement of net electricity sales; and
- (3) Whether the PUC is the appropriate agency to conduct the study contemplated under this measure, and the appropriate level of funding for such a study.

Another issue that warrants further consideration and dialogue is the issue of interim milestones. This measure establishes only two milestones after 2010, in 2015 and 2020. DBEDT proposes the establishment of interim milestones at least every two years to facilitate the monitoring of progress in achieving RPS levels by the Legislature and other stakeholders. As DBEDT officials acknowledged in their testimony, this issue requires further evaluation and input from other stakeholders.

DBEDT, a key proponent of this measure, testified that this measure remains a work-in-progress and requires further discussion and refinement. Therefore, to facilitate continued dialogue between the parties, your Committee has amended this measure by leaving the RPS percentage amounts blank. Additionally, your Committee amended this measure to reflect preferred drafting style.

Finally, your Committee recognizes the importance of passing this measure out of the Senate since a companion House measure failed to pass out of that legislative body. Your Committee remains open regarding the unresolved issues and looks forward to a continuing dialogue with all of the parties as this bill moves forward through the legislative process.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2474, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2474, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2803 Commerce Consumer Protection and Housing on S.B. No. 2579

The purpose of this measure is to expand the definition of “serious mental illness” and to increase the minimum coverage for alcohol and drug dependence benefits.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs, Department of Health, National Association of Social Workers, Hawaii Disability Rights Center, Hawaii Psychological Association, National Alliance for the Mentally Ill, NAMI O’ahu, Kaiser Permanente, Equal Insurance Coalition, Hawaii Psychiatric Association, Blueprint for Change, Hawaii Medical Association, Hale O Honolulu, and two individuals. Testimony in opposition was received from the National Federation of Independent Business-Hawaii and Chamber of Commerce of Hawaii. Comments were received from the Hawaii Medical Service Association.

Act 121, Session Laws of Hawaii 1999 (Act 121), established a requirement for parity in the coverage of serious mental illness under health insurance plans and prohibited the imposition of coverage limits for serious mental illness that were not applicable to other medical or surgical conditions. In defining “serious mental illness”, Act 121 failed to include certain serious mental illness disorders. This measure corrects that omission by expanding the definition of “serious mental illness” to include obsessive-compulsive disorder, dissociative disorder, delusional disorder, and major depression.

This measure also increases the mandated minimum coverage for alcohol and drug dependence benefits from two treatment episodes per lifetime to two treatment episodes per year.

Your Committee finds that a requirement for mental health parity represents sound public policy. Data collected by the American Psychiatric Association on states with parity requirements showed that, after adoption of parity, inpatient psychiatric admissions declined (Maryland), premiums did not increase (Minnesota, New Hampshire), and mental health expenses were consistently lower than overall health benefit payments (North Carolina).

Hawaii data also supports a finding that mental health parity has not resulted in high levels of usage and costs. A Mental Health Task Force survey of health plans whose membership represents ninety per cent of individuals covered by commercial health plans in Hawaii, reported that slightly more than two per cent of overall health insurance costs were attributable to mental health and substance abuse services.

Your Committee has concerns, however, about the potential cost impacts of increasing the minimum coverage for substance abuse benefits. Your Committee notes that pursuant to S.C.R. No. 116, S.D. 1, the Auditor was directed to conduct a study of the effects of requiring parity for substance abuse treatment, and the results of that study are expected to be released shortly. The findings of this study should be seriously reviewed and considered before the Legislature takes final action on this measure.

Your Committee has amended this measure to correctly reflect the language of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2579, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2579, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Kim, Sakamoto).

SCRep. 2804 Commerce Consumer Protection and Housing on S.B. No. 2670

The purpose of this measure is to require the Board of Medical Examiners (Board) to establish, as much as is practicable, educational standards for health care providers with respect to patients’ pain management.

Hospice Hawaii, the Hawaii Medical Association, and two individuals testified in support of this measure.

The problem of unrelieved pain in the United States has been described as a public health epidemic. A 1999 study, entitled “Chronic Pain in America”, found that only one in four persons received adequate treatment for pain. A recent study by the Journal of the American Medical Association reported that almost one-fourth of nursing home patients with cancer received nothing stronger than aspirin for their pain. Yet, while pain is a serious medical problem, physicians are not being adequately prepared to treat it. In a 2001 survey by Alcoholism and Drug Abuse Weekly, eighty per cent of physicians in medical school and residency programs rated their training on pain as poor or fair.

This measure addresses the problem of inadequate pain management training by requiring the Board to establish educational standards in pain management for health care providers, including standards for the treatment of chemically dependent individuals. Additionally, this measure prohibits disciplinary action against or the criminal prosecution of health care providers who prescribe, dispense, or administer pain medication according to the Board's guidelines, and provides immunity from civil and criminal liability for pharmacists who dispense medication based on a reasonable belief that the medication was issued by a licensed health professional pursuant to treatment or research.

Your Committee has concerns that the measure, as received, imposes duties that are outside the scope of the Board's authority and ability to implement. Therefore, your Committee has adopted the joint recommendations of the Board, the Hawaii Medical Association, and Hospice Hawaii to amend this measure by replacing its contents with language that authorizes the Board to establish guidelines on pain management for physicians, osteopathic physicians, and physician assistants, including guidelines for patients with chemical dependency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2670, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2670, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Kim, Sakamoto).

SCRep. 2805 Commerce Consumer Protection and Housing on S.B. No. 2897

The purpose of this measure is to authorize the Board of Dental Examiners (Board) to accept for licensing purposes dental and dental hygienist examination results from regional or state testing agencies if Hawaii's examinations cannot be administered.

The Board and Hawaii Dental Hygienists Association testified in support of this measure.

State law requires the dental and dental hygienist examinations to be administered twice a year. These examinations are presently administered at the Pearl Harbor Dental Clinic and there is no alternative exam site available.

The Board has been advised by the Navy that heightened security measures could force the cancellation of the exams, on notice as short as twenty-four hours. This measure would allow the Board to accept exam results from regional or state agencies should a situation arise that prevents the Board from administering a scheduled exam.

Your Committee has amended this measure to:

- (1) Authorize the Board to accept regional or state testing agency results for the restorative techniques examination if it is unable to administer the examination;
- (2) Clarify the name of the accrediting body for dental colleges whose graduates are eligible to take the dental exam and the name of the national dental examination; and
- (3) Make technical changes to reflect the correct language of the Hawaii Revised Statute and for stylistic purposes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2897, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2897, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2806 Commerce Consumer Protection and Housing on S.B. No. 3085

The purpose of this measure is to statutorily require the Department of Commerce and Consumer Affairs to establish an advisory committee to advise the Board of Medical Examiners on issues relating to the formulary.

This measure specifically requires:

- (1) The advisory committee to be comprised of three advanced practice registered nurses (APRNs) with prescriptive authority, three licensed physicians, and three licensed pharmacists;
- (2) The advisory committee to make recommendations for the applicable formulary for APRNs to the Board of Medical Examiners who shall take such recommendations under consideration in adopting the formulary;
- (3) That the amendments to section 457-8.6, Hawaii Revised Statutes, shall not be repealed on June 30, 2004, as provided in Act 192, Session Laws of Hawaii (SLH) 2002, as amended by Act 3, SLH 2003; and
- (4) The advisory committee to report to the Legislature its activities and recommendations in regards to the prescriptive authority formulary, including justification by the Board of Medical Examiners as to the denial of any advisory committee recommendation.

Testimony in support of this measure was submitted by the Board of Nursing (BON), the Board of Medical Examiners (BME), the Hawaii Nurses' Association, and nine private citizens. Testimony in opposition to this measure was submitted by the Hawaii Medical Association.

Your Committee finds that APRNs play an important role in the provision of health care in our State, and that their prescriptive authority is essential to effective patient care. In an effort to streamline the regulatory process, the Legislature, pursuant to Act 192, Session Laws of Hawaii 2002, authorized the BON to grant prescriptive authority to qualified APRNs and required the Department of Commerce and Consumer Affairs (DCCA) to establish a joint formulary committee to recommend applicable formularies for the BME's consideration. Your Committee further finds that, as established by the BME, APRNs currently practice under an overly restrictive formulary.

Your Committee recognizes that there are concerns regarding the manner in which the BME has developed the formulary, including its consideration of the recommendations of the joint advisory committee. Absent input from APRNs, a formulary cannot be developed without the knowledge of their function and any other issues they may face in their daily practice. Therefore, your Committee determines that in order to allow APRNs to maximize their skills and abilities while continuing to provide patients with the best care possible, input must be received from APRNs as well as physicians and pharmacists. Your Committee also determines that an advisory committee must be statutorily established with safeguards for ensuring that the BME consider the advisory committee's recommendations and be otherwise accountable for its dismissal of such recommendations. Furthermore, the granting of prescriptive authority should ultimately remain within the authority of the BON, which is knowledgeable as to the practice of APRNs, rather than revert back to the DCCA.

Accordingly, your Committee has amended this measure by delaying its effective date to July 1, 2030, to facilitate further review and discussion of the issues, and by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3085, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3085, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 2807 Ways and Means on S.B. No. 2004

The purpose of this measure is to appropriate funds for fiscal year 2004-2005 for the care and maintenance of veterans cemeteries on the island of Maui.

Your Committee finds that veterans cemeteries honor the men and women who gave their lives for their home and country. The intended tribute to these brave men and women, however, is diminished by the lack of care and adequate funding needed to maintain these cemeteries. The cost of the repair and maintenance of the veterans cemeteries on Maui has increased by nearly two hundred per cent from 1981 to 2003, but state assistance during this period has only increased by eleven per cent.

Although the funding amount is blank, your Committee will give due consideration to the care and maintenance of veterans cemeteries on Maui and will provide a determination on the amount pending final disposition of the state budget.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2004, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 2808 Ways and Means on S.B. No. 2043

The purpose of this measure is to appropriate funds to renovate and expand the Military Aviation Museum of the Pacific on Ford Island on Oahu.

Your Committee finds that Hawaii has played a very important and historic role in the development of aviation. The new Military Aviation Museum of the Pacific promises to be a place to showcase the importance of military aviation and the critical role aviation has played in the development of Hawaii and the Pacific region. Along with the U.S.S. Arizona, the U.S.S. Missouri and the U.S.S. Bowfin, the new museum will not only memorialize the circle of events that occurred during Pearl Harbor, but will also tell the story of our country's efforts in Korea, Vietnam, and the Cold War.

Your Committee has amended the bill by providing a blank appropriation for the purpose of furthering discussion and pending final disposition of the state budget. Your Committee has also made technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2043, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2043, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2809 Ways and Means on S.B. No. 2045

The purpose of this measure is to make an appropriation to the Hawaii Civil Air Patrol.

This measure would enable the Civil Air Patrol to resume flight operations and training in support of state and county civil defense agencies. This support includes airborne tsunami and hurricane warnings, disaster relief, and search and rescue operations. Thus, the Civil Air Patrol plays a vital role in civil defense.

Your Committee has amended this measure by removing the amount of the appropriation in order to move the measure forward while the Legislature works on the state budget. Your Committee has also made technical nonsubstantive amendments to the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2045, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2045, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2810 Ways and Means on S.B. No. 2131

The purpose of this measure is to appropriate funds to enable the state Department of Defense to publish a Hawaii veterans' newsletter.

Your Committee finds that the lack of an effective method of communicating with Hawaii's military veterans and their families prevents the dissemination of important information regarding outreach services, upcoming veteran events, and various military ceremonies. This measure makes an appropriation to enable the Office of Veterans' Affairs in the Department of Defense to publish a Hawaii veterans' newsletter that will communicate noteworthy information in a timely manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2131, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2811 Ways and Means on S.B. No. 2364

The purpose of this measure is to increase the income tax deduction provided to national guard members and other reservists.

Your Committee finds that with the global uncertainties that exist today, it is imperative that the State maintain its military strength by supporting the Hawaii national guard and other reserve components. A strong military presence locally not only enhances our nation's war on terrorism, but also supports the State during times of natural disasters and other emergencies.

By increasing the income tax deduction to national guard members and other reservists, this bill provides an excellent incentive for the recruitment and retention of qualified and motivated national guard members and reservists.

Your Committee has amended the bill by providing a blank amount to be excluded from gross income, adjusted gross income, and taxable income for the purpose of continuing discussion and pending final disposition of the state budget.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2364, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2364, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2812 (Majority) Ways and Means on S.B. No. 2404

The purpose of this measure is to assist the City and County of Honolulu in hosting the 2005 National Association of Counties Annual Conference and Exposition.

Your Committee finds that the City and County of Honolulu was selected to host the 2005 National Association of Counties Annual Conference and Exposition from July 15 through 19, 2005, at the Hawaii Convention Center. Between seventy-five hundred and ten thousand attendees and guests are expected. If eight thousand attendees and guests attend the conference, it is estimated that over \$2,084,000 would be generated in state tax revenues. The appropriation is to be matched on a dollar-for-dollar basis with the City and County of Honolulu.

Your Committee has amended this measure by removing the specific appropriation to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2404, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2404, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Hooser).

SCRep. 2813 Ways and Means on S.B. No. 2746

The purpose of this measure is to carry into full effect legislation enacted in 2003 that created the offense of habitually operating a motor vehicle under the influence of an intoxicant, which was codified as section 291E-61.5, Hawaii Revised Statutes.

Specifically, this measure would make the penalties under section 291E-61.5, Hawaii Revised Statutes, consistent with that of the offense of operating a vehicle while under the influence of an intoxicant under section 291E-61, Hawaii Revised Statutes, by:

- (1) Requiring the offender to be referred to a driver's education program for an assessment of substance abuse or dependency;
- (2) Requiring the court to refer the offender to obtain appropriate treatment, depending on the recommendation of the counselor pursuant to the assessment;
- (3) Prohibiting reinstatement of a license revoked under this law until the expiration of the revocation period set by the court;
- (4) Allowing the court to order a person sentenced under section 291E-61.5, Hawaii Revised Statutes, to reimburse the county for the costs of blood or urine tests; and
- (5) Making conforming amendments to other laws to account for the enactment of section 291E-61.5.

It is the intent of this measure to provide help to the offender to avoid another driving incident and possible catastrophic motor vehicle crash because the offender did not receive counseling to address the problem.

Your Committee has made technical nonsubstantive amendments to correct a statutory reference.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2746, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2746, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2814 Ways and Means on S.B. No. 2914

The purpose of this measure is to expedite the construction, installation, maintenance, repair, and replacement of civil defense warning or signal devices and sirens by exempting them from the definition of "development" for purposes of coastal zone management.

Your Committee finds that civil defense warning or signal devices and sirens are critical to warning the public of potentially dangerous events. Thus, it is imperative that all efforts be made to expedite the construction, installation, maintenance, repair, and replacement of civil defense warning or signal devices and sirens. Your Committee further finds that the permitting process often causes undue delays in constructing and maintaining these warning systems. Such delays are not warranted given the vital role that these warning systems play in public safety.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2914, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 2815 Ways and Means on S.B. No. 2919

The purpose of this measure is to statutorily establish a joint headquarters in the state Department of Defense.

In addition, the measure:

- (1) Authorizes the establishment of an Assistant Adjutant General position to head the joint headquarters and sets the new position's grade at no higher than that of a major general; and
- (2) Raises the grades of the Assistant Adjutant Generals in charge of the Army and Air Divisions from a grade no higher than that of a brigadier (one star) general to that of a major (two star) general.

Your Committee finds that following the tragic events of September 11, 2001, the state Department of Defense has taken a more active role in preparing for and protecting against potential terrorist attacks. This measure will assist the Department of Defense in its mission by establishing a joint headquarters, which along with the Army Division and Air Division of the National Guard will each be headed by an Assistant Adjutant General who shall have a grade no higher than major general.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2919, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2816 (Majority) Ways and Means on S.B. No. 2997

The purpose of this measure is to allow the Department of Transportation to develop a civil engineering scholarship program.

Specifically, this measure establishes a program to award scholarships to students who agree by contract to apply for full-time civil service employment with the Department immediately after graduation from the University of Hawaii. Additionally, this measure appropriates \$100,000 for the scholarship program's implementation.

Your Committee finds that, in recent years, the Department has experienced difficulty in recruiting qualified civil engineers, due in part to the limited enrollments in civil engineering at the University of Hawaii, and the disparity in salaries and benefits being offered by private sector and public sector employers.

By establishing a civil engineering scholarship program that will provide financial assistance and educational and employment opportunities in civil engineering to qualified Hawaii students, this measure promotes the civil engineering profession and enhances the recruitment of trained and qualified civil engineers by the Department of Transportation.

Your Committee has amended the measure by clarifying:

- (1) The authority of the Department to award scholarships if the program is established;
- (2) That the Department of Transportation shall include, in its guidelines for the scholarship program, alternate methods by which scholarship participants may work off their scholarship employment obligation if the department does not hire the participant; and
- (3) That the amount of the tuition component of the scholarship shall be limited to the resident tuition cost of the University of Hawaii at Manoa.

In addition, your Committee has amended this measure by deleting the appropriation amount of \$100,000 and leaving it blank and by changing the effective date to July 1, 2050, to promote further discussion and development on this measure. Technical, nonsubstantive amendments have also been made for the purposes of clarity and uniformity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2997, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2997, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Kim).

SCRep. 2817 (Majority) Ways and Means on S.B. No. 2998

The purpose of this measure is to exempt the passenger facility charge special fund from: transfers to pay for central service and administrative expenses; transfers to the works of art special fund; and deposit into the airport revenue fund.

This bill also changes the name of the passenger facility charge revenue fund to the passenger facility charge special fund.

The passenger facility charge revenue fund was created for the specific purpose of prohibiting expenditure of passenger facility charge revenues for other than approved projects pursuant to federal regulations. This is a housekeeping measure intended to clarify the use of moneys in the passenger facility charge special fund.

Upon further consideration, your Committee has amended this bill by making several technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2998, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2998, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kim).

SCRep. 2818 (Majority) Ways and Means on S.B. No. 3080

The purpose of this measure is to provide further relief to airport concessions that were negatively impacted by the events of September 11, 2001, the subsequent Iraq war, and the outbreak of severe acute respiratory syndrome.

Your Committee finds that despite relief that was extended to airport concessions following the events of September 11, 2001, and the imposition of airport security controls, the subsequent Iraq war and the outbreak of severe acute respiratory syndrome have caused airport concessions to continue to suffer downturns in business. This measure provides further relief to airport concessions who have received relief following the events of September 11, 2001, but have not yet negotiated further relief with the State.

This measure grants further relief to concessions that have continued to suffer a reduction in gross receipts of fifteen per cent or more. Relief includes the payment of only a fair percentage rent without a guaranteed rent, or the termination of the concession contract without the concession losing its bond or deposit or suffering the penalty of being barred from doing business with the State for five years, as provided under present law. If a fair percentage rent cannot be agreed to, the Department of Transportation must either terminate the contract or require the concession to remain in business at a no-profit, break-even basis.

Your Committee has amended this measure by:

- (1) Making technical nonsubstantive changes for clarity and consistency; and
- (2) Changing the effective date to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3080, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3080, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 2 (Slom, Trimble). Excused, none.

SCRep. 2819 Ways and Means on S.B. No. 3189

The purpose of this measure is to impose a surcharge on every Hawaii wireless telephone number to fund the implementation and operation of wireless enhanced 911 service.

Your Committee finds that statewide enhanced 911 has proven to be a lifesaving service and that this service should be available for all users of telecommunications services, regardless of the technology used to make and transmit the 911 call.

However, wireless enhanced 911 service, available in other parts of the United States is not yet available in Hawaii. Currently, only 911 calls placed from a land line transmit the name, number, and location of the caller. This service is funded by a monthly surcharge on every private switched access land line in Hawaii. This measure requires providers and resellers of commercial mobile radio services (wireless telephone communications) to bill and collect from their customers a monthly surcharge at the rate established under this measure. The moneys collected are to be deposited into a wireless enhanced 911 special fund. Public safety answering points receiving wireless 911 calls and wireless providers whose equipment is used to transmit the calls may recover the cost of providing wireless enhanced 911 service in Hawaii from the fund.

Your Committee further finds that it is in the public interest to develop a source of funding to implement wireless enhanced 911 service and to ensure adequate funding for ongoing support of the service.

Your Committee has amended this measure by:

- (1) Deleting the provision in section 2 permitting the Department of Accounting and General Services to retain five per cent of all surcharge funds collected for administrative costs since the department is already able to recover these costs pursuant to section 36-30, Hawaii Revised Statutes;
- (2) Moving the language in section -4 authorizing wireless provider cost recovery to section -5 since the former section governs collection of the surcharge and the latter governs payments from the surcharge fund; and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3189, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3189, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Kim).

SCRep. 2820 Ways and Means on S.B. No. 2835

The purpose of this measure is to provide the Attorney General with the authority to administer the Litigation Deposits Trust Fund in a more efficient manner.

The bill also gives the Attorney General the financial means by which to more expeditiously execute civil actions on behalf of the State.

Specifically, the measure amends the scope and management of the Fund by:

- (1) Removing the \$100,000 threshold that triggered the deposit of funds received as a civil action award or settlement into the Fund;
- (2) Establishing that all proceeds received as an award or settlement for civil actions initiated or filed by the Attorney General shall be deposited into the Fund, unless a court order or settlement agreement requires otherwise;
- (3) Deleting the requirement that the Attorney General disburse residual general and nongeneral funds related to a closed civil action to the respective funds within thirty days after closure;
- (4) Excluding recoveries on behalf of the Antitrust Trust Fund, Tobacco Enforcement Special Fund, Medicaid Investigations Special Fund, Hawaii Tobacco Settlement Special Fund, and Criminal Forfeiture Fund from being deposited into the Fund;
- (5) Specifying that when the Attorney General receives a civil action award or settlement that is subject to the Fund:
 - (A) Thirty-three per cent of any recovered funds shall be retained by the Fund to support the Attorney General's investigation and prosecution efforts;
 - (B) The remaining balance may be used to reimburse the source of the funds (general fund, special fund, revolving or other fund or account) recovered in an amount equal to the funds lost; and
 - (C) If any funds remain, then the remainder shall become part of the Fund;
- (6) Allowing the Attorney General to invest the moneys contained in the Fund in investment instruments other than securities;
- (7) Requiring that all moneys in excess of \$1,000,000 remaining in the Fund at the end of each fiscal year lapse into the general fund;
- (8) Exempting the deposit of any moneys into the Fund that would be in violation of federal law; and
- (9) Establishing that all recoveries made under the State's False Claims Act be deposited into the Fund.

Your Committee finds that, currently, the Fund is used primarily to defend actions against the State. Major civil actions initiated by the Attorney General usually require a supplemental request for funds or the retention of a special deputy to handle the litigation on a contingent fee basis. This hurdle in obtaining the funding necessary to prosecute a case delays its initiation since, without funding, it is impossible to hire the requisite staff to investigate the case.

Your Committee has amended the measure by making technical nonsubstantive amendments for the purposes of style and clarity and by changing the effective date from July 1, 2004, to July 1, 2040, to facilitate further discussion on this issue.

Your Committee believes that this measure will result in the more efficient administration of the Fund, thereby facilitating the Attorney General's ability to better fulfill the Attorney General's mandated responsibilities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2835, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2835, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 2821 Ways and Means on S.B. No. 2904

The purpose of this measure is to update the laws governing the licensing and regulation of escrow depositories.

This measure comprehensively updates the laws governing the licensing and regulation of escrow depositories that were enacted over thirty years ago. Among other things, the measure:

- (1) Establishes that the Commissioner of Financial Institutions has sole discretion in determining if an informational and comment meeting regarding an escrow depository is to be convened;
- (2) Allows limited liability companies to be licensed as escrow depositories;
- (3) Strengthens confidentiality requirements, consistent with standards applicable to state-regulated financial institutions;
- (4) Authorizes criminal background checks and the fingerprinting of escrow depository officers and directors;
- (5) Increases bonding requirements;
- (6) Requires the disclosure of potential risks to customers of escrow depositories that are eligible to deposit escrow funds in sweep accounts;
- (7) Establishes procedures for receivership; and

- (8) Simplifies the process for voluntary termination of an escrow depository.

Your Committee finds that the amendments proposed in this measure reflect current industry practices, reduce the regulatory burden on businesses, and provide for greater regulatory flexibility while ensuring consumer protection.

Your Committee has amended the measure by changing the effective dates from July 1, 2005, for the statutory provisions and July 1, 2004, for the appropriation, to July 1, 2035, and July 1, 2034, respectively, to ensure further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2904, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2904, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Sakamoto, Slom).

SCRep. 2822 Ways and Means on S.B. No. 1206

The purpose of this measure is to provide an aircraft operating lease investment income tax credit for lessees of aircraft with reduced noise levels.

Your Committee finds that the transportation needs of Hawaii's residents and tourists are served by commercial air carriers that provide a frequent and affordable means of intrastate and interstate transportation. Your Committee also finds that Hawaii is currently served by several major air carriers that have made and will continue to make capital investments in their businesses to better serve the public, including providing aircraft with reduced noise levels.

Therefore, it is the intent of this bill to support and encourage such investments by providing appropriate tax credits to improve the commercial air industry in Hawaii.

Your Committee has amended the bill by delaying the effective date until February 23, 2020, for the purpose of continuing discussion on this matter and by making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1206, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1206, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kawamoto, Kim, Sakamoto).

SCRep. 2823 (Majority) Ways and Means on S.B. No. 2558

The purpose of this measure is to diversify Hawaii's economy by expanding the State's current tax incentive packages for motion picture, television, and film production.

This measure increases the scope of the current motion picture and film production income tax credit to include digital media and sound recording productions; increases the current refundable tax credit from four per cent to fifteen per cent of costs incurred on Oahu and twenty per cent of costs incurred on neighbor islands; and provides specific language for qualifying for the investment tax credit under Act 221.

Your Committee finds that Hawaii's motion picture and television, sound recording, and performing arts industry leaders have witnessed a dramatic increase in the number of jurisdictions that are offering significant tax incentive packages to attract productions. This measure is a first step in bringing Hawaii to a competitive level with other jurisdictions and developing a significantly more productive local entertainment industry.

Your Committee has amended this measure by inserting a per year cap and a total cap with unspecified amounts in new subsection (h), and by making various amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2558, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2558, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Trimble). Excused, 3 (Aduja, Kanno, Sakamoto).

SCRep. 2824 Ways and Means on S.B. No. 2302

The purpose of this measure is to provide funds to the Filipino Centennial Celebration Commission to prepare for the 2006 Filipino Centennial Celebration.

The fifteen-member temporary Filipino Centennial Celebration Commission was formed pursuant to Act 159, Session Laws of Hawaii 2002, which charges the commission to do various things, including developing an overall program to celebrate the centennial

anniversary of the arrival of the Filipino people in Hawaii, their significant contributions to the development of Hawaii, and the Filipino culture and heritage. The commission is also charged with developing, planning, and coordinating the program activities that will be scheduled throughout 2006. Although Act 159 did not appropriate any funds, it allowed the commission to seek grants from public and private sources and to accept donations.

Your Committee has amended this measure by changing the appropriation amount from \$1,000,000 to a blank amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2302, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2302, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Kim).

SCRep. 2825 (Majority) Ways and Means on S.B. No. 2396

The purpose of this measure is to exempt from the general excise tax the gross income received by certain charitable groups for designated convention, conference, and trade show fees.

Specifically, the bill exempts from general excise taxes the following gross income derived by fraternal benefit, religious, charitable, scientific, educational, or other association or organization:

- (1) Convention, conference, or trade show registration fees;
- (2) Fees for convention, conference, or trade show exhibit or display spaces;
- (3) Fees for advertising and promotion at the convention, conference, or trade show, or related brochures; and
- (4) Private contributions.

Additionally, the bill provides that the gross proceeds of sales received by a vendor through the use of exhibit or display space at a conference, convention, or trade show is subject to the general excise tax.

Your Committee finds that in recent years, the Legislature addressed the problems associated with the general excise tax by eliminating or reducing its pyramiding effect. At the time, however, the Legislature did not contemplate any general excise tax problem with exhibit space at conventions, conferences, or trade shows. Inasmuch as the State is committed to revitalizing the economy by promoting its primary economic engine -- tourism, especially with the use of the relatively new Hawaii Convention Center, assessing the general excise tax on the resale of exhibit space at places like the convention center appears counterproductive to that commitment. Charitable groups that are paying the general excise tax for exhibit space should not be taxed again on the same space that is resold to exhibitors.

A general excise tax exemption for certain charitable groups in this situation will not only promote tourism and fuel economic growth, but will also provide tax equity and an incentive to charitable group promoters to do business in Hawaii.

Your Committee has amended the bill by making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2396, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2396, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, 1 (Trimble). Excused, none.

SCRep. 2826 (Majority) Ways and Means on S.B. No. 2711

The purpose of this measure is to allow the Hawaii Tourism Authority to employ its own attorneys.

The bill also appropriates \$8,000,000 for fiscal year 2004-2005 to improve the operational and financial efficiency of the Hawaii Tourism Authority; provided that the sum appropriated shall be in addition to the sums appropriated out of the tourism special fund in the Supplemental Appropriations Act of 2004 or any other Act enacted during the 2004 regular session.

Upon further consideration, your Committee has amended this bill by changing the appropriated sum of \$8,000,000 to an unspecified amount to facilitate further discussion. Your Committee has also made several technical nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2711, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2711, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kawamoto).

SCRep. 2827 (Majority) Ways and Means on S.B. No. 3043

The purpose of this measure is to establish a three-year pilot program known as the "Aloha Aina Patrol" that will provide security and assistance to tourists in counties with a population in excess of five hundred thousand.

An appropriation from the transient accommodations tax trust fund will fund the program.

Your Committee finds that tourism is a vital part of the economy of the State of Hawaii, and the Aloha Aina Patrol is an innovative way to address the crime problem while spreading the Aloha Spirit. The Aloha Aina Patrol will assure visitors to Hawaii, as well as local residents, that they will be safe from crimes against persons or property.

The Aloha Aina Patrol will create additional security patrols geared toward parks and beaches where there have been too many incidents of crime against visitors and residents. The Hawaii Tourism Authority, in conjunction with county police departments, will determine the specific areas to be patrolled. The patrols will consist of police cadets and police service officers. The plan is to have Aloha Aina Patrol officers in aloha attire versus police uniforms, thus emphasizing the Aloha Spirit.

Your Committee has amended this measure by deleting the amount of the appropriation to allow the bill to move forward while work on the budget continues. Your Committee has also made technical nonsubstantive amendments to the bill to among other things, clarify that the establishment of the Aloha Aina Patrol program in counties with a population of over 500,000 is mandatory.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3043, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3043, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Kawamoto).

SCRep. 2828 (Majority) Ways and Means on S.B. No. 3116

The purpose of this measure is to regulate the discharge of graywater, other wastewater, and air emissions by commercial passenger vessels in the marine waters of the State.

Your Committee finds that this measure provides broad protection for Hawaii's ocean and air quality in regard to the cruise ship industry while being fair to cruise vessels by consolidating and respecting the patchwork of federal and international laws with which the vessels also must comply.

In addition, this measure rewards commercial passenger vessel owners and operators that practice exemplary sewage discharge management in the waters of the State and whose standards and discharges exceed federal standards for sewage discharges, with an unspecified percentage discounted from the environmental compliance fee.

Your Committee believes that Hawaii's ocean waters and air deserve statutory protection that is more stringent than the current Memorandum of Understanding between the State and the NorthWest Cruise Ship Association, which simply relies on the honor system for all parties. This measure provides quantifiable standards with which vessels must comply and removes the burden and public skepticism of relying completely on self-policing by the cruise ship industry.

Your Committee has amended this measure by:

- (1) Including a prohibition on the discharge of untreated sewage as set by the Federal Water Pollution Control Act, but without criminal penalties;
- (2) Authorizing the Department of Health to enforce the prohibitions on the discharge of graywater, other waste water, and air emissions, and the discharge of untreated sewage as set by the Federal Water Pollution Control Act; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3116, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3116, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 4 (Kawamoto, Hemmings, Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 2829 Ways and Means on S.B. No. 2063

The purpose of this measure is to assist public schools in providing for textbooks and instructional materials.

This measure clarifies that students, their parents, or guardians will be held accountable for the loss, damage, or destruction of school textbooks, instructional materials, library books, equipment, or supplies.

To ensure that restitution fees collected by the Department of Education for those negligent actions are used strictly for the replacement of these materials, this measure establishes a special account for depositing and expending these moneys.

Your Committee finds that existing law already allows the Department of Education to assess fees for the breakage, damage, loss, or destruction of school books, equipment, or supplies. This measure merely clarifies that any book, printed matter, or other material used in a particular course of study is subject to the application of this law. The measure also provides a direct link between the collection of restitution fees and the use of those fees to purchase replacement material.

Your Committee has amended this measure to make technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2063, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2063, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kanno, Kawamoto, Trimble).

SCRep. 2830 Ways and Means on S.B. No. 2066

The purpose of this measure is to transfer the administration of the medical education special fund from the state treasury to the University of Hawaii.

Your Committee finds that, currently, none of the University of Hawaii's special funds are established in the state treasury or administered independently. This measure will allow the Hawaii medical education special fund to be established and administered in a manner that is consistent with other University of Hawaii special funds.

Your Committee has amended this measure by making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2066, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2066, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Sakamoto, Slom).

SCRep. 2831 Ways and Means on S.B. No. 2067

The purpose of this measure is to appropriate funds to the University of Hawaii to match funds obtained through grants received from the National Science Foundation Experimental Program to Stimulate Competitive Research.

Since joining the Program in 2000, the university has received numerous grants. The program is viewed as a "model" federal/state/university partnership that helps researchers and institutions improve their research capacity by helping to make them more competitive in obtaining grants from federal, state, and private sector agencies. In three years, Hawaii has received approximately \$39,000,000 in funding from the Program's Institutional Development Award program. Appropriating matching funds will continue the successful efforts of the university with the Program.

Your Committee has amended this measure by removing and leaving blank the amount of the appropriation in order to move the bill forward while the Legislature continues to work on the state budget.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2067, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2067, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kawamoto, Kim, Sakamoto).

SCRep. 2832 Ways and Means on S.B. No. 2072

The purpose of this measure is to place the administration of the center for nursing special fund under the University of Hawaii.

Your Committee finds that the Center for Nursing is established within the University of Hawaii's School of Nursing and Dental Hygiene. However, the center for nursing special fund is established in the treasury of the State and is administered by the Board of Regents of the University of Hawaii. No other special funds of the University of Hawaii are established in the state treasury or administered by the Board of Regents.

Your Committee finds that this measure, by removing the special fund from the state treasury and putting it under the direct administration of the University of Hawaii, will facilitate the transfer and expenditure of funds to conduct the activities of the Center for Nursing.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2072 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2833 (Majority) Ways and Means on S.B. No. 2428

The purpose of this measure is to establish the Hawaii Administrator Standards Board.

The bill, among other things:

- (1) Establishes the powers and duties of the board;
- (2) Requires the board to develop licensing standards;
- (3) Establishes a Hawaii administrator standards special fund; and
- (4) Provides for appeals and penalties.

Your Committee finds that Act 249, Session Laws of Hawaii 2002, mandated the Department of Education and the Hawaii Teacher Standards Board to develop recommendations on the establishment of an independent body to set and monitor standards for education administrators and to report their recommendations to the Legislature.

The working group determined that sixty-four per cent of the Department of Education administrators did not support the idea of an education administrators licensing board in place of the current certification system used by the Department. The working group made this recommendation after balancing the concerns of the administrators against several factors as discussed in the bill. Your Committee is supporting the working group's recommendation by recommending passage of this bill.

Your Committee has amended the bill by making technical nonsubstantive amendments for the purposes of clarity and style. Your Committee would also like to note that the effective date of this bill is defective as received by your Committee and that it has not been changed.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2428, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2428, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Kim, Sakamoto).

SCRep. 2834 (Majority) Ways and Means on S.B. No. 2789

The purpose of this measure is to appropriate an unspecified amount for the annual incremental salary increase for teachers and educational officers.

Your Committee finds that generally, section 302A-626, Hawaii Revised Statutes, provides teachers and educational officers who have completed a year of satisfactory service and complied with other statutory requirements, annual incremental increases in salary. Section 302A-626, Hawaii Revised Statutes, also provides teachers and educational officers who have served satisfactorily for three years and complied with other statutory requirements, applicable longevity step increases in salary.

This bill provides the vehicle to fund these increases in salary. Your Committee, however, is aware of the on-going collective bargaining negotiations between the State and teachers, and will defer on the amount appropriated pending final disposition of the negotiations and the state budget.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2789, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 2835 Ways and Means on S.B. No. 3012

The purpose of this measure is to require the Hawaii Educational Policy Center to conduct an annual assessment of the educational accountability system under Act 238, Session Laws of Hawaii 2000.

Your Committee finds that Act 238 expanded the Department of Education's accountability system to specifically include student accountability, professional accountability for schools, teachers, principals, other employees, and public accounting for other significant partners to the education process. Act 238 also added requirements for student performance benchmarks, professional development for teachers and administrators, and required the Department to provide annual educational status reports and financial reports on the accountability system. Your Committee finds, however, that the Department has not fully met its obligations under Act 238.

In other states, including Tennessee and Kentucky, education accountability and oversight have been transferred to an independent entity. This practice embraces the logic that the agency responsible for developing and implementing an accountability system should not be the one to assess its effectiveness.

This bill follows in the steps of our sister-states by requiring the Hawaii Educational Policy Center of the Research Corporation of the University of Hawaii to conduct an independent annual assessment of the educational accountability system pursuant to Act 238, Session Laws of Hawaii 2000.

Your Committee has amended the bill by making technical amendments that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3012, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3012, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 2836 Ways and Means on S.B. No. 3020

The purpose of this measure is to ensure that public schools that are on a multi-track schedule and are located in communities with high population growth continue to maintain quality education.

Specifically, this measure appropriates funds for staffing and facilities needed to ensure that quality education is maintained at multi-track schools.

Your Committee finds that multi-track scheduling means one-fourth of the school enrollment is on break at any given time, which allows the school to be put to maximum use year-round and serve one hundred thirty-three per cent of its capacity. Students in each track receive the same number of instructional days (one hundred eighty-one) as students in other schools, but have more frequent breaks throughout the year.

Your Committee further finds that many public schools in high population growth areas have multi-track scheduling in order to prevent overcrowded classrooms and to facilitate learning through smaller class sizes. However, your Committee is concerned that multi-track scheduling causes disruptions to learning and to family life for students, parents, faculty, school administrators, and staff. Your Committee believes that additional staffing and facilities are warranted to ensure that students attending multi-track schools continue to receive a quality education.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3020 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2837 Ways and Means on S.B. No. 1556

The purpose of this measure is to clarify the determination of shorelines for shoreline certifications and building setbacks.

Specifically, this measure:

- (1) Requires the Board of Land and Natural Resources and the University of Hawaii to develop guidelines for determining and certifying the shoreline;
- (2) Requires a shoreline certification applicant to provide notice of the application;
- (3) Redefines "shoreline" as the upper reaches of the wash of the waves, other than storm and seismic waves, at high tide during the season of the year in which the highest wash of the waves occur;
- (4) Creates a state shoreline locator to determine the location of the shoreline;
- (5) Requires registered land surveyors to map and survey shorelines;
- (6) Provides for appeals to proposed shorelines to be certified; and
- (7) Appropriates funds for videographic studies of the upper reaches of the high seasonal surf at sites around the State to compare certified shorelines with where the upper reaches of the wash of the waves actually reach.

Your Committee finds that this measure clarifies the definition of "shoreline" so that the "upper reaches of the wash of the waves" are used to locate the shoreline rather than the vegetation criteria that often does not reflect the upper reach of the wash of the waves. The imprecise use of "vegetation" as the shoreline certification criteria has resulted in the loss of public property to private interests. In some cases, coastal homeowners have encouraged the encroachment of vegetation onto public coastal areas by planting vegetation and allowing its growth onto public property that is then claimed as their private property.

Your Committee has amended this measure by allowing an exception to the shoreline definition for facilities, equipment, or property owned or controlled by a public utility, which provides that "shoreline" means the upper reaches of the wash of the waves, usually evidenced by the edge of vegetation growth or by the upper limit of debris left by the wash of the waves.

Additionally, your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and uniformity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1556, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1556, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2838 (Majority) Ways and Means on S.B. No. 2097

The purpose of this measure is to cap the use permit fee for commercial vessels moored at small boat harbors at three per cent of gross revenues, effective January 1, 2004.

This measure also requires that all fees and penalties imposed by the Department of Land and Natural Resources be deposited into the boating special fund.

This measure would help support the commercial ocean tour industry by enhancing the revenue available to fund improvements to our deteriorating small boat facilities.

Your Committee has amended this measure by delaying the effective date in order to move this measure forward while the impact on revenues is studied in the course of the Legislature's work on the state budget.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2097, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2097, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 2839 (Majority) Ways and Means on S.B. No. 2125

The purpose of this measure is to change the rate of the conveyance tax from a flat rate to a sliding scale schedule.

Specifically, the bill maintains the present 10 cents per \$100 rate, but provides that the rate will apply for properties conveyed up to \$385,000, and raises the rate to 20 cents per \$100 for properties conveyed at \$385,000 to \$1,000,000, and 30 cents per \$100 for properties conveyed at more than \$1,000,000.

Your Committee finds that Hawaii's conveyance tax is among the lowest in the nation and that the relatively modest rate increase proposed in this bill will assist the following organizations that are dedicated to the preservation and protection of the State's land and natural resources and supported through the natural area reserve fund, which receives twenty-five per cent of conveyance taxes collected:

- (1) The Natural Area Partnership and Forest Stewardship Programs that create public/private partnerships for the management and protection of natural resources on private lands permanently dedicated to conservation;
- (2) Watershed partnerships that protect large areas of forested watersheds for water recharge and other functions on both private and public lands; and
- (3) The Youth Conservation Corps, which builds a strong local work force that understands and appreciates the importance of Hawaii's natural resources.

Conveyance tax revenues are also allocated as follows:

- (1) Twenty-five per cent to the Rental Housing Trust Fund; and
- (2) Fifty per cent to the general fund.

Your Committee has amended the bill by:

- (1) Maintaining the present conveyance tax rate of 10 cents per \$100 for conveyances up to \$500,000, instead of \$385,000;
- (2) Changing the sliding scale for properties taxed at the proposed 20 cents per \$100 and conveyed at \$385,000 to \$1,000,000, to apply to properties conveyed at \$500,001 to \$1,000,000;
- (3) Increasing the proposed conveyance tax rate from 30 cents to 50 cents per \$100 for conveyances over \$1,000,000; and

- (4) Repealing the proposed sliding scale after five years and reverting the conveyance tax rates to their present levels.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2125, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2125, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 2840 Ways and Means on S.B. No. 2516

The purpose of this measure is to authorize the issuance of general obligation bonds and appropriate funds to acquire land in Kahuku to expand the Kahuku Agricultural Park on Oahu.

Your Committee finds that several parties are involved in determining the future of hundreds of acres of land in Kahuku. The land has a long history of not only supporting a thriving and prosperous aquaculture industry, but also of being prone to horrendous floods that have caused devastation and anxiety to the Kahuku community and the businesses it supports. Your Committee is aware of the various competing proposals made by stakeholders and would like to see an amicable solution reached that satisfies the needs of all parties concerned.

Although this bill provides one possible alternative to this complex and perplexing problem, it does not represent your Committee's position on this matter. Hopefully, this bill, if necessary, can be incorporated into a solution that respects all parties involved and supports the Kahuku community in general.

Your Committee has amended the bill by providing an effective date of February 30, 2020, and providing an unspecified appropriation amount to promote further discussion on this matter. Your Committee has also made technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2516, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2516, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2841 Ways and Means on S.B. No. 2693

The purpose of this measure is to direct the Department of Land and Natural Resources to investigate the various community-based sponsorship options prior to commencement of the Army Corps of Engineers' planned Helemano-Paukaui-la-Kaukonahua watershed management project scheduled on or after October 1, 2004.

Additionally, this measure appropriates funds for a university graduate assistantship to develop and transfer watershed stewardship information and technologies under the Department of Land and Natural Resources.

The investigation to be conducted by Department of Land and Natural Resources specifically includes: a community-based information campaign in the affected communities regarding upcoming federal project activities and sponsorship options; identifying flood concerns of residents and businesses in regard to flooding, damages due to past flooding, and opportunities to mitigate floods in the future; and information gathering for research and analysis of the affected area.

Your Committee finds that, in addition to relieving flooding problems on the north shore of Oahu through a community-involved process, the study produced by this measure will be beneficial and adaptable to all communities suffering flood problems throughout the State.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2693, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2693, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 2842 Ways and Means on S.B. No. 3051

The purpose of this measure is to protect agricultural lands important to the State of Hawaii through the acquisition of agricultural easements.

Your Committee finds that article XI, section 3 of the Hawaii state constitution requires the State to conserve and protect agricultural lands and assure the long-term availability of agriculturally suitable lands. This measure establishes a Agricultural Land Protection Board. The primary role of the Board is to identify important agricultural lands and to acquire agricultural easements for

those identified lands by paying any willing owner an amount determined to be equitable, but not to exceed the difference between the fair market value of the land and the fair market value of the land restricted to agricultural purposes. Funds for the purchase of these easements will come from an agricultural land protection fund into which will be deposited funds from state and federal appropriations or private grants.

Your Committee has amended this measure by:

- (1) Adding an appropriation to the Hawaii Farm Bureau Federation for agricultural research and market development;
 - (2) Adding an appropriation to the University of Hawaii, College of Tropical Agriculture and Human Resources, for:
 - (a) The development of high value agricultural products;
 - (b) The revitalization of the cattle industry;
 - (c) A program to encourage greater production and consumption of healthy, safe, and locally grown food to improve the nutritional status of Pacific people and enhance Hawaii's food security; and
 - (d) Research and testing of sediments in the Ala Wai canal and other waterways as a component of the bioremedial program at the University of Hawaii's College of Tropical Agriculture and Human Resources;
- and
- (3) Making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3051, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3051, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Kawamoto, Sakamoto, Hemmings).

SCRep. 2843 (Majority) Ways and Means on S.B. No. 2573

The purpose of this measure is to provide a \$500 caregiver tax credit for persons who care for an "eligible care recipient" in the caregiver's home.

An "eligible care recipient" is defined generally, as a person who is:

- (1) At least sixty years of age;
- (2) An immediate relative or immediate in-law of the caregiver; and
- (3) Certified by a licensed physician as needing special assistance.

Your Committee finds that, with Hawaii's growing elderly population, the care of our seniors has become a serious problem. Unless families can afford expensive private care services for their elderly relatives, they are forced to care for them in their own homes. The burden on caregivers can be overwhelming at times and the resulting toll on families may cause financial and emotional harm.

This bill provides a modicum of financial relief to care-giving families to ease their financial burden and also provides a modest incentive for families to care for family members in their homes.

Your Committee has amended the bill by changing the effective date to February 31, 2020, for purposes of promoting continuing discussion and by making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2573, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2573, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Trimble). Excused, 2 (Kim, Sakamoto).

SCRep. 2844 Ways and Means on S.B. No. 2654

The purpose of this measure is to appropriate additional funds to provide primary and preventive health care services to low-income, uninsured immigrants.

Your Committee finds that many immigrants in Hawaii have low incomes and meet medicaid eligibility criteria, but are ineligible for medicaid coverage due to the 1996 Welfare Reform Act. On the one hand, these immigrants come seeking better living conditions and opportunities to work. On the other hand, many of Hawaii's businesses rely on immigrants who frequently fill low-paying,

unskilled, and part-time jobs. Immigrant workers, therefore, contribute to society but are vulnerable since they lack health insurance. Your Committee notes that state funds have been appropriated to the Hawaii immigrant health initiative, a program implemented by the Department of Human Services, to provide preventive and primary health care to immigrants and delivered by community health centers. However, the current funding is inadequate.

Your Committee further finds that if the basic health care needs of low-income immigrants are not addressed, costs for their uncompensated care delivered at hospital emergency rooms and for avoidable hospitalizations will be far greater and will negatively affect public and private insurance rates for all Hawaii residents.

Upon further consideration, your Committee has amended this measure by changing the appropriated amount of \$140,000 to an unspecified amount to facilitate further discussion. Your Committee has also made several technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2654, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2654, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2845 Ways and Means on S.B. No. 2936

The purpose of this measure is to expand state-funded medical assistance to pregnant legal immigrants.

Specifically, this measure extends medical assistance to a pregnant woman:

- (1) Who is age nineteen or older;
- (2) Whose family income does not exceed one hundred eighty-five per cent of the federal poverty level for a family of applicable size;
- (3) Who is a legal immigrant who entered the United States on or after August 22, 1996; and
- (4) Who is otherwise eligible for benefits under Hawaii's medicaid program but is prohibited from receiving any medical assistance under Title XIX of the Social Security Act for a period of five years.

Your Committee finds that there is a gap in medical assistance coverage for pregnant women whose incomes make them eligible for medicaid or other state-funded medical assistance. Low income pregnant women who are United States citizens and low income noncitizens who are from the Compact of Free Association countries obtain medical assistance through these means. However, low income pregnant legal immigrants who have lived in the United States for less than five years are not eligible for any medical assistance.

This gap in medical assistance for pregnant women concerns your Committee because timely and regular prenatal care enhances the birth of a healthy baby, lessens the probability of a complicated delivery or a low weight baby with health problems, and prevents additional medically necessary services. Thus, medical assistance is warranted to close this gap. This will also help avoid additional costly services for the newborns of these low income immigrant women, while also providing medical care to their newborns who, as United States citizens, will be medicaid eligible.

Your Committee amended this measure by making technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2936, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2936, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2846 (Majority) Ways and Means on S.B. No. 607

The purpose of this measure is to provide a tax credit for capital improvements to, or equipment purchases for federally qualified health centers.

Your Committee finds that federally qualified health centers are "safety net" primary health service providers serving predominantly uninsured, poor, and indigent people in Hawaii. Recently, a new federally mandated medicaid prospective payment system has effectively eliminated a mechanism for federally qualified health centers to recoup costs associated with capital improvements, thus severely limiting the ability of health centers to serve the public.

This bill will assist federally qualified health centers by providing a tax credit equal to ten per cent of the qualified capital or equipment costs incurred by a qualified health center for taxable years beginning after December 31, 2002. The tax credit will allow federally qualified health centers to reduce costs and better serve their clientele.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 607, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (Sakamoto).

SCRep. 2847 Ways and Means on S.B. No. 2385

The purpose of this measure is to support the Hawaii Seropositivity and Medical Management Program and the HIV/AIDS Drug Assistance Program by appropriating \$200,000 each for these programs, respectively.

Your Committee finds that the Hawaii Seropositivity and Medical Management Program and HIV/AIDS Drug Assistance Program provide life-saving medications and regular medical tests to hundreds of people with HIV/AIDS in Hawaii. However, while the cost of AIDS drugs has risen in recent years, and the number of people needing treatment has grown, the State has not increased its support for these vital programs. Without additional funding, people in Hawaii living with HIV/AIDS may be forced onto waiting lists for the appropriate drugs. Additional funding will prevent people from being placed on a waitlist, provide more clients with needed services, and potentially provide more drugs.

Upon further consideration, your Committee has amended this bill by changing the appropriated amounts to unspecified amounts to facilitate further discussion. Your Committee has also amended this bill by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2385, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2385, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2848 (Majority) Ways and Means on S.B. No. 2641

The purpose of this measure is to transfer administration of the State's medical marijuana program from the Department of Public Safety to the Department of Health.

This measure also makes changes to the program as follows:

- (1) Establishes a procedure by which medical conditions may be added to the list of "debilitating medical conditions" for which a qualifying patient may use marijuana;
- (2) Amends the definition of "adequate supply" of marijuana by increasing the amount from four to seven marijuana plants and from one to three ounces of marijuana; and
- (3) Permits only those physicians who have medically examined and assessed the medical history and current medical condition of the patient in the course of a bona fide physician-patient relationship to certify a patient seeking to register for the medical use of marijuana; and
- (4) Clarifies the procedure by which a patient may seek certification to use marijuana and to register for its use thereafter.

Your Committee finds that the legal use of marijuana as a therapeutic medicine is a health issue, rather than a public safety issue. The seven other states allowing the use of medical marijuana do so through their departments of health, except for Nevada whose program registry is maintained by the department of agriculture. These departments also work in conjunction with their departments of public safety, allowing access to the patient registry if verification becomes necessary.

Your Committee further finds that administration by the Department of Health will allow severely ill patients better access to compassionate care and a broader range of physician assistance, without compromising the level of oversight that is needed. Patients who seek protection under this law will be less intimidated by the prospect of registering with the department of health and will more likely come forward to be registered.

Your Committee has amended this measure by:

- (1) Requiring that all funds, records, and equipment used by the Department of Public Safety to administer the medical marijuana program be transferred to the Department of Health;
- (2) Continuing in full force and effect those administrative rules adopted by the Department of Public Safety as necessary to implement the medical marijuana program until the Department of Health adopts its own rules pursuant to chapter 91, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2641, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2641, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Kawamoto). Excused, 1 (Sakamoto).

SCRep. 2849 (Majority) Ways and Means on S.B. No. 2690

The purpose of this measure is to supplement the general funds appropriated to the emergency medical system by establishing an emergency medical services special fund.

Specifically, this measure allocates additional state motor vehicle registration fees to the Department of Health to use in operating the State's comprehensive emergency medical services system.

In addition, this measure appropriates funds for advance life support ambulance services for parts of Oahu, Maui, and Hawaii, and provides for necessary training opportunities on the neighbor islands.

Your Committee is cognizant that the rapid response of emergency medical services is critical to positive outcomes for emergency patients. The need to provide sufficient emergency medical care to residents of rural areas, particularly on the neighbor islands, is long overdue. Your Committee further finds that funding has been a critical issue in financing the emergency services. User fees for emergency medical services are deposited into the general fund, but are not an adequate source of funding for the services.

Additionally, your Committee finds that the retention and recruitment of paramedics is vital in maintaining a top-notch emergency medical service. Paramedics are an essential component of the continuum of care and serve as linkages among health resources. Your Committee further finds that professional development and training for paramedics and new recruits is a sound way to address the challenge of retention and recruitment, which was identified as a top priority in ensuring Hawaii's emergency response system's peak performance at the 2003 Hawaii EMS Agenda for the Future Summit.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that a portion of each annual motor vehicle registration fee shall be deposited into the emergency medical services special fund;
- (2) Funding, through a grant-in-aid, additional ambulance services in the Nanakuli, Kahaluu-Kaaawa, and urban Honolulu areas of Oahu and a third shift ambulance at the Makakilo ambulance unit;
- (3) Funding staff for the ambulance at Hawaiian Ocean View Estates, including operating expenses;
- (4) Eliminating any specific appropriation figures to facilitate further discussion on this matter; and
- (5) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2690, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2690, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Hooser).

SCRep. 2850 (Majority) Ways and Means on S.B. No. 3024

The purpose of this measure is to enact various capital formation tools.

Specifically, these capital formation tools include:

- (1) Enacting the state private investment fund, modeled after a similar and highly successful Oklahoma model, to stimulate increased venture capital investment;
- (2) Providing tax credits for qualifying research activities, technology infrastructure renovations, and high technology business investments;
- (3) Making an appropriation of \$20,000,000 for the state private investment fund;
- (4) Increasing the amount of the technology infrastructure renovation tax credit from four to ten per cent to take effect on January 1, 2006, for two calendar years; and
- (5) Implementing an annual maximum tax credit that can be claimed of \$4,000,000 for research activities and sets procedures for the Department of Business, Economic Development, and Tourism to certify qualified high technology businesses verifying qualifying expenditures, credit amounts, and cumulative tax credit amounts.

Upon further consideration, your Committee has amended this bill by:

- (1) Changing the total amount of tax credits to be issued by the State that may be transferred by the Hawaii Strategic Development Corporation to transferees to reduce their tax liability from \$100,000,000 to an unspecified amount in section -6(a), Hawaii Revised Statutes, on p. 5, line 7;
- (2) Changing the appropriated amount of \$20,000,000 in section 2 of the bill to an unspecified amount to facilitate further discussion;
- (3) Clarifying that the Hawaii capital formation revolving fund may receive deposits from sources other than just legislative appropriations in section -10;
- (4) Inserting the contents of section 2 of S.B. No. 2866, S.D. 1, 2004 as a new section 6 of this bill and renumbering the remaining sections accordingly. The effect of the new section 6 is to repeal the sunset of the Hawaii Strategic Development Corporation scheduled for July 1, 2004;
- (5) Making the new section 6 take effect on June 30, 2004, in order to allow the sunset of the Hawaii Strategic Development Corporation to be repealed; and
- (6) Making a number of technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3024, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3024, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (Hooser).

SCRep. 2851 Ways and Means on S.B. No. 214

The purpose of this measure is to direct Leeward Community College to develop a program to assist in assimilation of immigrants from the Freely Associated States and other South Pacific jurisdictions into American Society.

Specifically, the measure directs Leeward Community College to provide services through cultural education and integration, language, employment, training, and legal services, to the growing number of immigrants from the Freely Associated States to ensure their success here in Hawaii. In addition to immigrants from the Freely Associated States, this measure covers Micronesian, Marshallese, and Palauan communities at large.

This measure also appropriates funds made to Hawaii pursuant to the Compact of free Association Amendments of 2003, P.L. 108-188, 11 Stat. 2027, towards the program.

Your Committee finds that this measure addresses the increasing needs of immigrants from the immigrants from the Freely Associated States immigrants and their impact on communities already at-risk with diminished services on all fronts. Without comprehensive and immediate intervention programs that specifically target these immigrants in a culturally sensitive manner, Hawaii will experience increases in school dropouts, involvement in the criminal justice system, homelessness, unemployment, substance abuse, and domestic violence.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriation shall come from any available federal funds rather than funds appropriated under section 104(e) of the Compact of Free Association Amendments Act of 2003, P.L. 108-188, 11 Stat. 2027;
- (2) Deleting the appropriation amount of \$1,000,000 to promote further discussion on this measure; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 214, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 214, S.D. 3.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2852 (Majority) Ways and Means on S.B. No. 2002

The purpose of this measure is to allow conservation and resources enforcement officers to have similar retirement benefits afforded to other law enforcement officers.

Specifically, this measure:

- (1) Establishes a definition of "conservation and resources enforcement officer" within chapter 88, Hawaii Revised Statutes, relating to the Employees' Retirement System;
- (2) Establishes the vocation of conservation and resources enforcement officer as a contributory class B member of the Employees' Retirement System;
- (3) Requires conservation and resources enforcement officers to pay a total of twelve and two-tenths per cent of their salary toward their retirement benefits;
- (4) Establishes the pension accrual rate for conservation and resources enforcement officers, who, after June 30, 2004, have at least ten years of credited service, of which the last five years have been spent as a conservation and resources enforcement officer, at two and one-half per cent annually as the percentage rate to be used when calculating their retirement benefit;
- (5) Enables conservation and resources enforcement officers with twenty-five years of service, of which at least the last five years have been spent in that capacity, to retire, regardless of age, with a retirement benefit that has not been actuarially reduced;
- (6) Allows existing conservation and resources enforcement officers who are noncontributory class C members to elect to become a contributory class B member of the Employees' Retirement System; and
- (7) Declares that all prospective conservation and resources enforcement officers hired after the effective date of the measure are to be contributory class B members of the Employees' Retirement System.

Your Committee finds that conservation and resources enforcement officers are commissioned with police powers to enforce the State's conservation and natural resources laws and face many of the same perils, difficulties, and stresses of their law enforcement and public safety brethren. However, these officers are not provided with the same retirement benefits as certain other law enforcement and public safety officers.

Under existing law, police officers and firefighters enjoy enhanced retirement benefits that include:

- (1) A higher pension accrual rate than the one that is provided to most other contributory class employees (2.5 per cent vs. 2.0 per cent per year of credited service); and
- (2) An ability to retire after twenty-five years of service, regardless of age, with a full pension unreduced for age.

However, these enhanced retirement benefits are not gained without certain costs to the employee. In addition to the potentially hazardous working conditions under which these employees work, contributory class B members:

- (1) Pay a higher percentage of their salaries toward their retirement as opposed to most other contributory class members (12.2 per cent vs. 7.8 per cent per year of credited service);
- (2) Are not eligible to receive Social Security benefits; and
- (3) Have a cap on their pension amount (80 per cent of their average final compensation).

Your Committee finds that the vocation of conservation and resources enforcement officer is not a class of employment that is exempted from contributing to the Social Security program. Consequently, including these officers in the contributory membership class that requires a higher percentage contribution toward their retirement may result in an unanticipated financial burden. As such, your Committee believes that the more prudent approach to ameliorating the retirement benefit disparity between conservation and resources enforcement officers and other law enforcement and public safety officers is to provide them with the ability to retire after twenty-five years of service, regardless of age, with a retirement benefit that is not reduced for actuarial purposes.

Your Committee also finds that, like conservation and resources enforcement officers, deputy sheriffs are officers commissioned with full or similar police powers. However, they are also not eligible to retire after twenty-five years of service without penalty, regardless of age upon retirement.

In addition, your Committee further finds that corrections officers who are noncontributory class C members of the Employees' Retirement System are unable to retire after twenty-five years of service without suffering an actuarially-reduced pension. This is not congruent with what is already being provided to their contributory class counterparts. Your Committee believes that this inequity should also be resolved.

In light of these findings, your Committee has amended the measure by:

- (1) Adding a definition for "deputy sheriff";
- (2) Deleting the provisions that would instate conservation and resources enforcement officers as contributory class B members of the Employees' Retirement System and require them to make increased contributions toward their retirement;
- (3) Adding conservation and resources enforcement officers and deputy sheriffs who are already contributory class A members of the Employees' Retirement System to the group that may retire after twenty-five years of credited service on or after July 1, 2004, regardless of age, without having their retirement benefits reduced for actuarial purposes;

- (4) Adding conservation and resources enforcement officers, corrections officers, and deputy sheriffs who are noncontributory class C members of the Employees' Retirement System to the group that may retire after twenty-five years of credited service on or after July 1, 2004, regardless of age, without having their retirement benefits reduced for actuarial purposes; and
- (5) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2002, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2002, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, 1 (Trimble). Excused, none.

SCRep. 2853 Ways and Means on S.B. No. 2073

The purpose of this measure is to clarify and increase the categories of employees for whom the University of Hawaii is allowed to establish an optional retirement system.

Specifically, this measure:

- (1) Clarifies that employees excluded from collective bargaining unit 7 may participate in the optional retirement system, except part-time workers working less than twenty hours per week and temporary employees of three months duration or less;
- (2) Establishes that University of Hawaii employees who are appointed by the Board of Regents may participate in the optional retirement system;
- (3) Requires the Board of Regents to designate not less than three investment vendors as part of its responsibilities in administering the optional retirement system, and provides criteria to be considered in making the designation; and
- (4) Requires the State to pay to the University of Hawaii six per cent of the salary of any University of Hawaii employee who becomes part of the optional retirement system in lieu of the State's contributions to the Employees' Retirement System;

Your Committee would like to clarify that one of the groups of employees, employees of the University of Hawaii who are appointed by the Board of Regents, are those employees who are not in the civil service system. Your Committee was contemplating amending this measure to specifically include collective bargaining unit 8, the administrative, professional, and technical staff, but found it unnecessary because they are already included under this measure.

Your Committee finds that having an optional retirement system is critical to the University of Hawaii's efforts to recruit and retain qualified employees for both faculty and staff positions. Although the Legislature previously provided for an alternative retirement system to be established at the University, implementation of the system faced obstacles. For example, the requirement that the employer's share of the cost of the optional retirement system not exceed the equivalent share for employees in the Employees' Retirement System was problematic.

State supported colleges and universities in forty-eight states offer defined contribution optional retirement plans to faculty, staff, and administrators. Because employees in higher education are often very mobile, the University of Hawaii's optional retirement system should be comparable to those offered at other state universities, including a choice of vendors, to enable the University to compete with other universities for the most qualified employees.

Your Committee has amended this measure by making technical nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2073, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2073, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2854 Ways and Means on S.B. No. 2995

The purpose of this measure is to improve commercial motor vehicle safety by adopting the congressionally mandated changes of the Motor Carrier Safety Improvement Act of 1999.

The revisions adopted by the United States Congress, as contained in this measure, are designed to ensure that only safe drivers can drive commercial motor vehicles. The primary purpose of those changes is to reduce the number of truck-related crashes by suspending or disqualifying more commercial vehicle drivers for violation of new disqualifying offenses or commission of serious traffic violations.

Your Committee has amended this measure as follows:

- (1) By deleting section 1, (and renumbering the remaining sections) which would amend section 286-102(b), Hawaii Revised Statutes, because that section applies to all driver's licenses, not just commercial driver's licenses, and thus exceeds the scope

of the bill's title in violation of article II, section 14 of the state constitution and because the bill already proposes to add the substance of this amendment to section 286-239(e), Hawaii Revised Statutes, (relating to commercial driver's license) by section 8 of the bill;

- (2) By deleting the proposed definition of "driving a commercial motor vehicle while under the influence of an intoxicant", at page 5, lines 6-17, because this term is not used anywhere else in the bill or in the Hawaii Revised Statutes;
- (3) By clarifying the definition of "serious traffic violation" at page 9, lines 1-7;
- (4) By clarifying the language at page 15, lines 5-8, used to refer to homicide offenses involving use of a motor vehicle;
- (5) By deleting the proposed addition of subsection (b) to section 286-44(b), Hawaii Revised Statutes, at page 20, lines 3-10, because the language would apply to a holder of any type of driver's license and thus exceed the scope of the bill's title;
- (6) By clarifying at page 23, lines 5-9, that only a motor carrier that is the employer or prospective employer of a driver may obtain that driver's record;
- (7) By clarifying at page 25, lines 5-7, the references to commercial driver's licensees from whom may be withheld a conditional license permit subsequent to an administrative license revocation pursuant to section 291E-44, Hawaii Revised Statutes; and
- (8) By making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2995, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2995, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Hooser).

SCRep. 2855 Ways and Means on S.B. No. 3186

The purpose of this measure is to require the Attorney General to review and approve, prior to signature, all contracts subject to the procurement code that involve the expending of or contracting to expend public moneys.

The Attorney General is to ensure that each contract includes provisions that public moneys are:

- (1) Expended solely for the purposes of the contract;
- (2) Adequately accounted for in accordance with generally accepted accounting principles;
- (3) Are subject to an audit by the Auditor; and
- (4) Subject to investigation for any irregular expenditures.

This measure also criminalizes as theft, an unauthorized expenditure of public moneys.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3186 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2856 Ways and Means on S.B. No. 2887

The purpose of this measure is to adopt the National Association of Insurance Commissioners' Interstate Insurance Compact.

Your Committee finds that state insurance regulators across the nation and the National Association of Insurance Commissioners recognize that the financial services industry is changing. Many products sold by life insurers have evolved to become primarily investment products. Consequently, life insurers face increasing direct competition from products offered by depository institutions and securities firms. Depository institutions and securities firms are able to sell products nationally, often without prior regulatory review. Thus, they are able to bring new products to market more quickly without the added expense of meeting different requirements among the states.

This measure allows states that have enacted similar measures to have the flexibility to regulate life insurance, annuities, and disability income insurers, excluding long-term care insurance. This measure is intended to preserve the state-based system of insurance regulation by raising product standards and consumer protections, improving the quality of product review, and giving insurance companies the ability within regulatory confines to compete in an evolving marketplace.

Your Committee finds that this measure conforms to the National Association of Insurance Commissioners' Model Act and would provide high product standards and quicker access to a broader choice of investment products for consumers.

Your Committee has amended this measure by making various technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2887, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2887, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

SCRep. 2857 Ways and Means on S.B. No. 2911

The purpose of this measure is to authorize payment to advisory committee members who serve as consultants to the various boards regulating health care professionals under the Department of Commerce and Consumer Affairs for each consultation or case review completed during the investigation of an alleged licensing law violation.

Specifically, this measure authorizes payment of \$200 to an advisory committee member for each completed consultation or case review. This measure further requires the various boards regulating health care professionals under the Department of Commerce and Consumer Affairs to submit lists of potential advisory committee members for appointment by the Director of Commerce and Consumer Affairs on a biennial rather than an annual basis.

Your Committee finds that this measure recognizes the importance of advisory committees and the committee members who voluntarily contribute their time and expertise in conducting prompt and important investigations of licensing complaints. The expense of reimbursing committee members is minimal and will not harm the functions of the Department of Commerce and Consumer Affairs.

Upon further consideration, your Committee has amended this measure by reducing the authorized payment from \$200 to \$100 and by making several technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2911, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2911, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 5 (Aduja, English, Kawamoto, Sakamoto, Tsutsui).

SCRep. 2858 Ways and Means on S.B. No. 2912

The purpose of this measure is to authorize the Department of Commerce and Consumer Affairs to implement a three-year pilot program to provide supplemental funding to support public, educational, and governmental cable television access in underserved areas of the State.

In addition, this measure appropriates funds from the Department of Commerce and Consumer Affairs compliance resolution fund for the initial year of the pilot program.

Your Committee finds that due to the island geography of the State, many residents are not afforded even basic community media services. This measure will advance an important policy objective - to provide equitable availability of community access media - by providing public, educational, and governmental access organizations with resources to improve facilities in underserved areas.

Further, your Committee finds that achieving this goal calls for an improved distribution of current cable franchise fees rather than adding new fees.

Your Committee has amended the measure by changing the amount appropriated from \$1 to a blank amount for the purpose of continuing discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2912, S.D. 1 and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2912, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2859 (Majority) Ways and Means on S.B. No. 3228

The purpose of this measure is to provide prompt emergency relief to residents or businesses of Hawaii for damages sustained from a natural disaster.

More specifically, this measure allows the Governor, upon the declaration of an emergency, to release up to ten per cent of the moneys in the emergency and budget reserve fund to provide assistance to residents and businesses that have sustained damages during or immediately after a natural disaster.

Your Committee acknowledges that, many times when natural disasters strike, emergency relief from governmental agencies to meet the immediate needs of victims is often delayed or unavailable for extended periods. This measure allows the Governor, upon the declaration of an emergency, to authorize the expenditure of moneys, not to exceed more than ten per cent of the total funds available in the emergency and budget reserve fund, to provide the needed immediate relief and assistance.

Your Committee has amended this measure by:

- (1) Making, at the suggestion of the Attorney General, a technical amendment to add an appropriation from the emergency and budget reserve fund;
- (2) Adding references to "appropriations" in the new language being added to section 328L-3, Hawaii Revised Statutes; and
- (3) Making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3228, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3228, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Hemmings). Excused, 1 (Sakamoto).

SCRep. 2860 (Majority) Ways and Means on S.B. No. 3193

The purpose of this measure is to amend certain provisions contained in Act 77, Session Laws of Hawaii 2002, relating to the imposition of limits on the pre-tax wholesale and retail prices of regular unleaded gasoline in the State.

Your Committee notes that in 2002, the Legislature found that Hawaii's gasoline consumers were paying high prices at the pumps because the gasoline market was dominated by an uncompetitive oligopoly. Act 77 imposed price limits on the pre-tax wholesale and retail prices of unleaded gasoline sold in the State. The price limits were to be determined by a baseline price equal to the average spot pipeline price for regular unleaded gasoline for Los Angeles, San Francisco, and the Pacific Northwest.

Due to the volatile nature of the West Coast spot pipeline prices, this measure changed the baseline to be determined by the national, not West Coast, average spot price for regular unleaded gasoline published by the Oil Price Information Service. This measure also extended the pre-tax maximum wholesale and retail price limits to mid-grade and premium gasoline and diesel fuel. Finally, due to the small size and unusual character of the gasoline markets on the islands of Molokai and Lanai, the limits are repealed for those islands.

Your Committee finds that the problem of high gasoline prices is principally due to a lack of vigorous competition at the wholesale level. In contrast, there is far greater competition at the retail level. Your Committee further finds that small and mid-sized jobbers serving the smaller and more remote retail markets on the Neighbor Islands lack the economies of scale that the refiners and larger jobbers enjoy.

Accordingly, your Committee has amended this measure by:

- (1) Repealing the maximum pre-tax retail gasoline price limit;
- (2) Providing a Neighbor Island wholesale adjustment factor to certain qualified jobber servicing the islands of Kauai, Maui, and Hawaii; and
- (3) Making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3193, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3193, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 4 (Inouye, Kawamoto, Hemmings, Slom). Excused, 2 (Espero, Trimble).

SCRep. 2861 (Majority) Health on H.B. No. 1797

The purpose of this measure is to expand the scope of the practice of optometry by allowing optometrists to use and prescribe, under certain restrictions, pharmaceuticals approved by the Board of Optometry.

Testimony in support of this measure was received from the Board of Examiners in Optometry, the Hawaii Optometric Association, and seventy-three optometrists. Testimony in opposition was received from the Board of Medical Examiners, Hawaii Ophthalmological Society, the Hawaii Medical Association, and thirty-one ophthalmologists.

Your Committee finds that Hawaii is only one of three states where optometrists are not allowed to treat glaucoma. Testimony indicates that there are only nine states where optometrists cannot use oral medications to treat eye disease. As a result, optometrists in Hawaii practice with some of the most limited prescriptive authority in the nation, ranking Hawaii forty-seventh out of fifty-two, including Guam and the District of Columbia.

Your Committee further finds that insurance companies that insure most optometrists across the nation and in Hawaii have indicated that professional liability insurance is not expected to increase with increased prescriptive authority that this measure would provide.

While your Committee recognizes the differing opinions between optometrists and ophthalmologists, your Committee finds that Hawaii should be more progressive in order to keep up with the rest of the nation regarding the practice of optometry.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1797, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Hogue). Excused, 1 (Inouye).

SCRep. 2862 Water, Land, and Agriculture on S.C.R. No. 5

The purpose of this measure is to submit to the Legislature for review action taken by the Board of Land and Natural Resources on a proposed land exchange between the State of Hawaii and Parker Ranch.

Testimony in support of this measure was received from the Department of Land and Natural Resources, the Department of Education, and Parker Ranch.

Your Committee finds that this land exchange between Parker Ranch and the State of Hawaii will enable the Department of Education to improve the facilities at both Waimea Elementary School and Waimea Intermediate School. Lands owned by Parker Ranch that consist of 4.998 acres would be exchanged for .780 acres of public lands located in Waimea and South Kohala, Hawaii. This additional acreage will provide the Department of Education with the necessary flexibility in constructing a new Waimea Elementary School campus if the need arises in the future. Further, Parker Ranch is willing to forego the difference in value between the parcels as the exchanged state land will allow for the realignment of Lindsey Road and improve the flow of traffic through Waimea Town.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 5 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 2863 Water, Land, and Agriculture on S.C.R. No. 6

The purpose of this measure is to authorize the designation of an industrial park by the Legislature.

The Department of Land and Natural Resources testified in support of the measure.

Your Committee finds that an industrial park located at Kaholaloa, Sand Island, Honolulu, Oahu will generate additional revenue and create new jobs. Moreover, this area has strong industrial development potential due to its proximity to the airport, Honolulu Harbor, and major freeways which is advantageous for distributors and manufacturers conducting business in this area. The Department of Land and Natural Resources has determined that this parcel of land is suitable for designation as an industrial park, but the law requires the approval of the Legislature for this type of designation. This concurrent resolution will constitute the necessary legislative approval.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 6 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 2864 Water, Land, and Agriculture on S.C.R. No. 7

The purpose of this measure is to authorize the issuance of a non-exclusive easement covering a portion of submerged lands at Spreckelsville, Wailuku, Maui, Hawaii for the maintenance of rock groins.

Testimony in support of the measure was received from the Department of Land and Natural Resources.

Your Committee finds that these rock groins, constructed on State-owned fast and submerged lands, are necessary to prevent erosion, protect the historic Baldwin family beach house, and preserve the public's recreational opportunities in this area. The Department of Land and Natural Resources has approved the issuance of a term, non-exclusive easement over state submerged lands so that these groins can be maintained, but the law requires approval by the Legislature. This concurrent resolution will constitute the necessary legislative approval.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 7 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 2865 Water, Land, and Agriculture on S.C.R. No. 8

The purpose of this measure is to authorize the issuance of a non-exclusive easement for a portion of submerged lands at Kaneohe, Koolaupoko, Oahu, Hawaii for the maintenance of a breakwater.

Testimony in support of the measure was received from the Department of Land and Natural Resources.

Your Committee finds that a breakwater, consisting of 197 square feet, was recently found encroaching onto state submerged lands at Kaneohe, Oahu. Your Committee further finds that a prior owner had built the unauthorized breakwater, and that the current owner is amenable to maintaining it.

Your Committee finds that the maintenance of the breakwater, which is inaccessible to the public, has minimal impact on the beach as well as the visual and recreational resources in the area. The Department of Land and Natural Resources has approved the easement so that the breakwater will be maintained, but the law requires approval by the Legislature, as well as the Governor. This concurrent resolution constitutes the necessary legislative approval.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 8 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 2866 Education on S.C.R. No. 23

The purpose of this measure is to request the Department of Education to develop and require as part of the standards-based curriculum an elementary school-level physical education program for public schools to promote health-related fitness, physical competence, and cognitive understanding about physical activity for all students so that they can adopt healthy and physically active lifestyles.

Your Committee received testimony in support of the measure from the Department of Education, American Heart Association, Hawaii State Teachers Association, two University of Hawaii professors, and a high school student.

Your Committee finds that physical education plays a critical role in educating the whole student. Instead of physical education negatively affecting student achievement, it in fact enhances their academic performance. It helps them to concentrate, stimulates areas of the brain related to learning and thinking, and provides balance to the development of the mind.

Your Committee further finds that patterns of physical activity established in childhood and adolescence often remain with an individual throughout their lives. As such, lifelong health and holistic development of individuals can be put at risk absent sufficient physical education and activity during youth. Presently there is no requirement for physical education at the elementary level in Hawaii, and a Department of Education taskforce has recommended that the current requirements for physical education at the high school level be reduced.

Your Committee further finds that quality physical education programs from elementary through high school develop physically educated persons through a program of developmentally appropriate activities and concepts skillfully designed and implemented from elementary school through high school. It not only improves overall physical health and motor skill competence but also enhances self-esteem and personal and social responsibility. Your Committee encourages the Department of Education to develop and require physical education use at middle schools and high schools by providing the opportunity for students to utilize after-school athletic activities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 23 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Sakamoto).

SCRep. 2867 Education on S.R. No. 12

The purpose of this measure is to request the Department of Education to develop and require as part of the standards-based curriculum an elementary school-level physical education program for public schools to promote health-related fitness, physical competence, and cognitive understanding about physical activity for all students so that they can adopt healthy and physically active lifestyles.

Your Committee received testimony in support of the measure from the Department of Education, American Heart Association, Hawaii State Teachers Association, two University of Hawaii professors, and a high school student.

Your Committee finds that physical education plays a critical role in educating the whole student. Instead of physical education negatively affecting student achievement, it in fact enhances their academic performance. It helps them to concentrate, stimulates areas of the brain related to learning and thinking, and provides balance to the development of the mind.

Your Committee further finds that patterns of physical activity established in childhood and adolescence often remain with an individual throughout their lives. As such, lifelong health and holistic development of individuals can be put at risk absent sufficient physical education and activity during youth. Presently there is no requirement for physical education at the elementary level in Hawaii, and a Department of Education taskforce has recommended that the current requirements for physical education at the high school level be reduced.

Your Committee further finds that quality physical education programs from elementary through high school develop physically educated persons through a program of developmentally appropriate activities and concepts skillfully designed and implemented from elementary school through high school. It not only improves overall physical health and motor skill competence but also enhances self-esteem and personal and social responsibility. Your Committee encourages the Department of Education to develop and require physical education use at middle schools and high schools by providing the opportunity for students to utilize after-school athletic activities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 12 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Sakamoto).

SCRep. 2868 Education on Gov. Msg. Nos. 259, 260, 261, 262, 263, 264, 265 and 266

Recommending that the Senate advise and consent to the nominations of the following:

MEDICAL EDUCATION COUNCIL

G.M. No. 259 SHERREL L. HAMMAR, MD, for a term to expire 06-30-07;

G.M. No. 260 CHRISTI L. KELIPIO, for a term to expire 06-30-05;

G.M. No. 261 LESLIE J. KRENK, RPh, CDE, for a term to expire 06-30-05;

G.M. No. 262 SUSAN REHBERG MERRILL, for a term to expire 06-30-05;

G.M. No. 263 LAWRENCE O'BRIEN, for a term to expire 06-30-07;

G.M. No. 264 ARTHUR USHIJIMA, for a term to expire 06-30-07;

G.M. No. 265 JOSEPH G. WEBB, JR., for a term to expire 06-30-07; and

G.M. No. 266 MARY EVELYN WORRALL, for a term to expire 06-30-05,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of SHERREL L. HAMMAR, MD, from the Dean of the John A. Burns School of Medicine at the University of Hawaii, Chairman of Pediatrics at the John A. Burns School of Medicine at the University of Hawaii, Hawaii Medical Association, and Kapiolani Medical Specialists. Dr. Hammar has devoted his professional life to medical education with a particular focus on pediatric medicine. He has extensive experience in developing undergraduate and postgraduate educational curriculum in medicine and in the national certification process for pediatrics. He served as interim Dean of the John A. Burns School of Medicine from 1996 – 1999 and is currently an Emeritus Professor of Pediatrics at the school after retiring in 2001 after 30 years of service at the University of Hawaii at Manoa.

Your Committee received testimony in support of CHRISTI L. KELIPIO from the Dean of the John A. Burns School of Medicine at the University of Hawaii, Hawaii Nurses Association, Healthcare Association of Hawaii, an Assistant Professor of Nursing at Hawaii Pacific University, and four nurses. Mrs. Keliipio arrived in Hawaii in 1988 as a travelling nurse and remained to build her career here, first as a nurse at St. Francis Medical Center, followed by ten years as a Health Care Administrator at Halawa Correctional Facility, during which time she completed her Bachelor and Master of Nursing degrees. For several years she was a faculty member at Hawaii Pacific University and the University of Phoenix, and served a year as the executive director of the Hawaii Nurses Association. After these positions, she felt a strong desire to return to direct service, with Pali Momi Medical Center.

Your Committee received testimony in support of LESLIE J. KRENK, RPh, CDE, from the Dean of the John A. Burns School of Medicine at the University of Hawaii. Upon graduating from the University of Nebraska School of Pharmacy in 1970, Ms. Krenk moved to Hawaii to work in the profession. By 1980, she purchased a physician's dispensing practice and started a pharmacy on the North shore of Oahu. She has owned several pharmacies since then and still owns the Maui Clinic Pharmacy. In addition to her entrepreneurial pursuits, she is active in educating pharmacists through Pacific Seminars, which she founded, and The Maui Center for Health Care Education, which she co-founded, a 501(c) nonprofit organization that teaches pharmacists to help senior citizens manage their medication needs. She currently serves as the President of the Hawaii Pharmacists Association.

Your Committee received testimony in support of SUSAN REHBERG MERRILL from the Dean of the John A. Burns School of Medicine at the University of Hawaii, and Kaiser Permanente. Ms. Rehberg, who has a Masters in Business Administration from Dallas University, has been involved in hospital administration for the past twenty years in Hawaii and on the Mainland. In her current

position she managed the library, educational program and learning resources for graduate medical education of over 200 residents and interns at Kaiser Permanente's Moanalua Medical Center, as well as continuing education for community physicians and providers.

Your Committee received testimony in support of LAWRENCE O'BRIEN from the Dean of the John A. Burns School of Medicine at the University of Hawaii, and Good Beginnings Alliance. A health care leader for twenty years, Mr. O'Brien is currently the Chief Executive Officer of the Kapiolani Medical Center for Women and Children and Pali Momi. He serves on a variety of important health care and youth related boards locally.

Your Committee received testimony in support of ARTHUR USHIJIMA from the Dean of the John A. Burns School of Medicine at the University of Hawaii. Mr. Ushijima has been a hospital administrator for over thirty years in a variety of organizational settings – governmental, religious-sponsored and community not-for-profit. He has also worked for over twenty years in undergraduate and graduate medical education, his role largely in support of teaching programs. He is currently President and Chief Executive Officer of The Queen's Medical Center, positions he has held since 1993.

Your Committee received testimony in support of JOSEPH G. WEBB, JR. from the Dean of the John A. Burns School of Medicine at the University of Hawaii, and the Commanding General of the United States Army, Pacific. Major General Webb has dedicated nearly thirty-three years to serving military families in a variety of health care roles. Currently, he is Commander of Tripler Army Medical Center and Department of Defense Lead Agent for the Pacific Region. Tripler Army Medical Center operates ten graduate medical education programs and two dental graduate programs, and has local agreements with more than eighteen organizations for resident participation in eleven medical specialties.

Your Committee received testimony in support of MARY EVELYN WORRALL from the Deputy Director of Health, the Dean of the John A. Burns School of Medicine at the University of Hawaii, and Children's Alliance. A realtor nominated to represent the general public, Ms. Worrall is nevertheless already active in health care by her service on numerous boards in the field. Her active involvement in the community through these positions and other means has been reflected in numerous awards she has received for community service.

Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and a desire to make Hawaii better by improving health care and medical education through their participation on the Medical Education Board.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

SCRep. 2869 Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 298

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 298 DAVID SPROAT, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of the nominee was received from the Department of Transportation.

David K. Sproat is retired as Fire Chief from the Kauai Fire Department after service from 1972 to 2002. He graduated from the University of Hawaii with a degree in tropical agriculture. His community activities include the Kilauea Neighborhood Board Association, Kilauea School PTA, Hawaiian Farmers of Hanalei, Waipa Foundation, and Mahelona Medical Center Charitable Foundation. The nominee served with the Hawaii Army National Guard and had two years of active duty, including a tour of duty in Vietnam.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Whalen).

SCRep. 2870 Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 299

Recommending that the Senate advise and consent to the nomination of the following:

ADVISORY BOARD ON VETERANS SERVICES

G.M. No. 299 CYNTHIA LYNN STINE, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of the nominee was received from the Office of Veterans Services, Oahu Veterans Council, and four individuals.

Cynthia Lynn Stine is being appointed as the Oahu representative to the Advisory Board of Veterans Affairs. She received a degree in occupational education from the Wayland Baptist University. She is currently a computer instructor and testing engineer with CTA. She served in the Air Force from 1979 to 1999 as an E6 rank in training management and communications electrical technician, and was awarded the Air Force Commendation Medal. Her professional affiliations include the American Legion (she is currently the Commander of Post 32 and the Vice Commander for District II), Air Force Association, and American Business Womens Association.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Whalen).

SCRep. 2871 Science, Arts, and Technology on Gov. Msg. Nos. 252, 253, 254, 255, 256 and 257

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

- G.M. No. 252 EIRAYNA K. ADAMS, for a term to expire 06-30-05;
- G.M. No. 253 CAROLEE K. ARICAYOS, for a term to expire 06-30-07;
- G.M. No. 254 ELAINE NICKIE HINES, for a term to expire 06-30-07;
- G.M. No. 255 WHITNEY G.K. SMITH, for a term to expire 06-30-05;
- G.M. No. 256 JENNIFER L. VIERNES, for a term to expire 06-30-07; and
- G.M. No. 257 BENJAMIN J. YIM, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of EIRAYNA K. ADAMS from two individuals. Ms. Adams was born and raised in Hawaii and was educated at the University of Hawaii. Ms. Adams has been an active member in the Daughters and Sons of Hawaiian Warriors-Mamakakaua, a royal society, for the past forty years. As a member of this royal society, Ms. Adams has served as a Marshall for fifteen years and is currently the Kuhina Nui, the Premier, a position she has held for the past seven years. In addition to her participation in the Daughters and Sons of Hawaiian Warriors-Mamakakaua, Ms. Adams was also commissioned by the State to work on the interior wooden cornices of the Royal Mausoleum, the Royal pews, and the front entry koa double doors.

CAROLEE K. ARICAYOS graduated from Waipahu High School and currently resides in Kihei, Maui. Ms. Aricayos has served as a Kumu Hula for Pohaikealaha Hula Halau for thirty years. Additionally, Ms. Aricayos was a past Commissioner for the King Kamehameha Celebration Commission.

Your Committee received testimony in support of ELAINE NICKIE HINES from the Waimanalo Homestead Association and three individuals. Ms. Hines was born in Hilo, Hawaii and educated at Hilo High School. Ms. Hines has participated in the Merrie Monarch Festival since its inception in 1963 and served as a volunteer during Aloha Week in Hawaii for the past fifteen years. Additionally, Ms. Hines has been active in the King Kamehameha Day Celebration and has devoted her time and energy in either decorating or riding a horse or float in the annual King Kamehameha parade.

Your Committee received testimony in support of WHITNEY G.K. SMITH from Garden Isle Quality of the Pacific and three individuals. Mr. Smith was born and raised on Kapahi, Kauai and graduated from Kapaa High School. Mr. Smith is a successful businessman on the island of Kauai working in a variety of family businesses. Mr. Smith is dedicated to working with the people of Kauai to put on a successful floral parade and Ho'olaule'a as part of Kauai's King Kamehameha Celebration.

Your Committee received testimony in support of JENNIFER L. VIERNES from two individuals. Ms. Viernes was born on the island of Maui and graduated from Farrington High School. Ms. Viernes is a member of Kaliko O Kapalai, serving as a Kumu Hula for this Halau that has performed in a number of venues across the State. Additionally, Ms. Viernes has been a member of the Hale O Na Ali'i Society for the past three years, where she helped build and decorate an award winning float entered in the King Kamehameha Parade.

Your Committee received testimony in support of BENJAMIN J. YIM from Maui Divers of Hawaii. Mr. Yim was born and raised in Honolulu, Hawaii and attended Kaimuki High School. Mr. Yim is a member of the Kapahulu Music Club and is dedicated to educating Hawaii's people as well as tourists of the history of King Kamehameha I.

Your Committee finds that these nominees possess a strong commitment to the Native Hawaiian community as well as an understanding of the cultural values unique to Hawaii. Further, these nominees are dedicated to perpetuating and educating others in the history of Hawaii's first monarch. As such, these nominees are well qualified to serve on the King Kamehameha Celebration Commission.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2872 Science, Arts, and Technology on Gov. Msg. No. 293

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS, OF THE HAWAII STRATEGIC DEVELOPMENT CORPORATION

G.M. No. 293 BOB DEWITZ, For a term to expire 06-30-06,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of BOB DEWITZ was received from the Department of Business, Economic Development, and Tourism and the Hawaii Strategic Development Corporation. Mr. Dewitz earned a Masters in Business Administration degree from the University of Hawaii, owns a marine and industrial electrical contracting firm, and is a partner in Hawaii's largest shipyard. Mr. Dewitz's extensive business experience has fostered interests in a diverse array of areas, including labor law reform, contract procurement reform, and technology and economic development.

Your Committee finds that the nominee possesses both the business experience and knowledge necessary to serve on the Board of Directors of the Hawaii Strategic Development Corporation. Your Committee further finds that the nominee is already serving on the Board of the Hawaii Strategic Development Corporation on an interim basis and thus is very familiar with the various venture capital programs under the authority of the Hawaii Strategic Development Corporation.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 2873 (Majority) Judiciary and Hawaiian Affairs on Gov. Msg. No. 152

Recommending that the Senate consent to the nomination of the following:

CIRCUIT COURT OF THE THIRD CIRCUIT, STATE OF HAWAII, TED H.S. HONG

G.M. No. 152 TED H.S. HONG, for a term of Ten Years,

Upon review of the resume, application for judicial office, letter of the nominee dated February 17, 2004, and testimony, your Committee finds that Ted H.S. Hong received a BA and a JD degree from the University of Hawaii at Manoa. Currently, he is the Chief Negotiator for the State of Hawaii and an interim Board of Regent for the University of Hawaii. He was a solo practitioner, Grand Jury Counsel for the Third Circuit Court, Corporation Counsel for the County of Hawaii, Deputy Corporation Counsel for the City and County of Honolulu, associate attorney at Roehrig, Roehrig, Wilson, Hara, deSilva, and Deputy Prosecuting Attorney for the City and County of Honolulu.

The nominee is a member of the Hawaii State Bar Association (HSBA) and American Bar Association (ABA).

Your Committee has received testimony in support of the nominee from the Attorney General, Department of Defense, Department of Human Resources Development, Office of Human Resources of the Judiciary, University of Hawaii Professional Assembly, Mayor of the County of Hawaii, Moanalua High School, Hawaii County Bar Association, the County of Hawaii Mayor's Office, Hawaii County Police Department, Honolulu Prosecuting Attorney, UH Hilo Student Association, Big Island Candies, Inc., Hawaiian Floral Express, Hawaii Island Portuguese Chamber of Commerce, Hawaii Tire Company, International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Kamuela Kayak Corporation, Kope Kope Espresso Cafe, Mauna Kea Anaina Hou, Pacific Transfer, Pinnacle Investment Group, Rotary Club of Hilo, Rotary Club of Hilo Bay, State of Hawaii Organization of Police Officers, Hawaii Fire Fighters Association, Korean American Bar Association of Hawaii, Society for Human Resource Management, Communications Pacific, Hilo Reporters, Dolan, Silva & Associates, CPAs, Inc., Stryker, Weiner & Yokota, Victor V. Vierra and

Associates, Hawaii Orchid Growers Association, ninety-eight attorneys, and two hundred ninety-two individuals. Your Committee has received testimony in opposition of the nominee from one attorney and twenty individuals. Your Committee has received comments regarding the nominee from the Chair of the Hawaii County Council, Hawaii County Corporation Counsel, two attorneys, and four individuals.

The Board of Directors of the HSBA found the nominee to be unqualified to serve as a circuit court judge. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate is asked to submit a resume, respond to a questionnaire, and appear before the Board to answer questions. The HSBA Board utilizes a modified version of the ABA Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Your Committee notes that there are issues regarding the judicial candidate's evaluation process performed by the HSBA. Specifically, your Committee expressed concerns about the short time frame in which the evaluation process takes place. Thus, if concerns are raised regarding a nominee, the HSBA does not have enough time to investigate a candidate any further. As a practice, your Committee postpones confirmation hearings as much as possible to accommodate the HSBA's initial evaluation process to enable the HSBA adequate time to prepare an evaluation. If there is a situation where a further investigation is warranted, the HSBA may be unable to address any of the issues and must evaluate a nominee based on the information immediately available.

Your Committee is concerned about the HSBA's methodology in evaluating a judicial candidate. Specifically, issues were raised regarding the necessity for total anonymity of comments submitted for the evaluation process and the anonymous ballot voting used for this nominee's HSBA judicial evaluation. While your Committee appreciates the HSBA's efforts in evaluating this nominee, this nominee's evaluation brings to light the apparent flaws and inequitable nature of the HSBA's evaluation processes.

In response to the concerns raised with the HSBA's judicial evaluation process, your Committee heard testimony from the Judicial Selection Commission (Commission) regarding their evaluation process. The Commission is authorized under the Constitution of the State of Hawaii to nominate no less than four and no more than six potential candidates from a pool of applicants for the Governor to choose from. The Commission is bound by the amount of information they are allowed to disseminate to this legislative body and the public. However, only the names of qualified candidates are submitted to the Governor for consideration.

Moreover, your Committee finds that the nominee was screened by the Judicial Selection Commission after an exhaustive process of finding qualified candidates. Additionally, in the HSBA screening process, only fifty-six of the four thousand three hundred bar members in Hawaii sent in comments about the nominee, which your Committee finds to be too small a minority of that organization to provide a true representation of the nominee's qualifications.

Your Committee has reviewed all of the testimony submitted, heard testimony from those who were present, and provided each person testifying with the amount of time needed to articulate their position. The testimony was overwhelmingly in support for the nominee; however, testimony was presented in opposition to the nominee. The main concern raised to this Committee was the nominee's judicial temperament.

From the testimony of the HSBA and others familiar with the judicial evaluation process, the term "judicial temperament" is subjective. The Commission testified that judicial temperament is one of the qualifications evaluated to determine if a candidate is qualified or unqualified. The Commission uses the ABA Guidelines to define "judicial temperament" for their evaluation process. Under this definition, "judicial temperament" is a nominee who possesses "a judicial temperament which includes common sense, compassion, decisiveness, firmness, humanity, open-mindedness, patience, tact and understanding."

Your Committee notes the concerns regarding the nominee's judicial temperament. However, in evaluating the criticism of this nominee, it appears that the nominee's direct nature and zealous advocacy on behalf of his clients are confused with the definition of judicial temperament. Your Committee believes that the criticisms articulated were not traits that would impede his ability to perform in an effective and fair manner as a judge, with the proper judicial demeanor.

Your Committee also considered the number of Big Island testifiers that were present in support of the nominee from attorneys, individual residents, students and faculty from the University of Hawaii at Hilo, and the Hawaii Community College. The University of Hawaii Regents were also present to support and clarify some misconceptions regarding the issues surrounding this nominee.

From all of the testimony, questions and answers, and a review of the personal history, résumé, and statements submitted by the nominee, your Committee finds the nominee to have the necessary qualifications to be appointed to the position of circuit court judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 2 (Chun Oakland, Kawamoto). Excused, none.

SCRep. 2874 Water, Land, and Agriculture on S.C.R. No. 9

The purpose of this measure is to submit to the Legislature for review of action taken by the Board of Land and Natural Resources (BLNR) regarding land exchanges.

Testimony in support of this measure was received from the Board of Land and Natural Resources and Maui Land & Pineapple Company, Inc.

Your Committee finds that the Department of Land and Natural Resources (DLNR) has been working with the Maui Land & Pineapple Company, Inc. (MLP), on a land exchange whereby MLP would acquire approximately 226 acres of public land in Lahaina, Maui. Your Committee further finds that this land will be used primarily for open space, with about 60 acres to be combined with MLP's Kapalua Mauka project, a master-planned residential, commercial, and golf course development project. In exchange, the State would acquire three vacant lots in the Mill Town Center, and an industrial park located in Waikele, Ewa, Oahu, which generates between \$98,400 to \$131,200 per year, as opposed to the \$6,060 a year the State takes in from the land in Lahaina. These industrial lots would greatly improve the State's public land trust assets.

Testimony indicates that one of the Mill Town Center lots has recently been sold, therefore, your Committee has amended this measure to reflect a replacement lot number that has been agreed to by both parties.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 9, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 9, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 2875 (Joint) Science, Arts, and Technology and Tourism on S.C.R. No. 28

The purpose of this measure is to designate Miss Hawai'i of the Miss America Scholarship Program the official Honorary Hostess of the State of Hawai'i.

Testimony in support of the measure was received from the Miss Hawai'i Scholarship Program.

Your Committees find that this measure recognizes the important role of Miss Hawai'i as an ambassador of Hawai'i. Each year, Miss Hawai'i serves as a hostess for Hawai'i's visitor and business industries in attracting visitors to Hawai'i as well as helping to market Hawai'i products overseas. Further, Miss Hawai'i remains active in numerous community-based events and epitomizes a strong and articulate role model for other young women to emulate.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Tourism that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 28 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 1 (English).

SCRep. 2876 (Joint) Science, Arts, and Technology and Tourism on S.R. No. 16

The purpose of this measure is to designate Miss Hawai'i of the Miss America Scholarship Program the official Honorary Hostess of the State of Hawai'i.

Testimony in support of the measure was received from the Miss Hawai'i Scholarship Program.

Your Committees find that this measure recognizes the important role of Miss Hawai'i as an ambassador of Hawai'i. Each year, Miss Hawai'i serves as a hostess for Hawai'i's visitor and business industries in attracting visitors to Hawai'i as well as helping to market Hawai'i products overseas. Further, Miss Hawai'i remains active in numerous community-based events and epitomizes a strong and articulate role model for other young women to emulate.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Tourism that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 16 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 1 (English).

SCRep. 2877 Health on Gov. Msg. Nos. 187, 188, 189, 190, 191, 192, 193, 194, 195 and 196

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

- G.M. No. 187 MARGARET M. BAXTER, for a term to expire 06-30-07;
- G.M. No. 188 DAVID F. FRAY, for a term to expire 06-30-04;
- G.M. No. 189 DAVID F. FRAY, for a term to expire 06-30-08;
- G.M. No. 190 PAUL K. HIGA, for a term to expire 06-30-07;

- G.M. No. 191 JOHN L. NOLAND, for a term to expire 06-30-07;
- G.M. No. 192 DEBORAH J. RIVERS, for a term to expire 06-30-07;
- G.M. No. 193 HELEN SMALLEY-BOWER, for a term to expire 06-30-07;
- G.M. No. 194 CHARLENE N. TARR, for a term to expire 06-30-07;
- G.M. No. 195 PAUL S. VARGAS, JR., for a term to expire 06-30-07; and
- G.M. No. 196 JONNA ZANE, Ph.D., for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of MARGARET M. BAXTER was received from the State Council on Developmental Disabilities. Ms. Baxter is a parent of two sons with developmental disabilities and thus represents a parent member of the Council. Ms. Baxter is a current member of the Council and is an active member of her community through her involvement with Special Olympics, Waianae Coast Coalition, Persons with Disabilities Ministry, Persons with Disabilities Advisory Board, and the Special Parent Information Network.

Testimony in support of DAVID M. FRAY was received from the State Council on Developmental Disabilities, the Department of Health, The Arc in Hawaii, and from James and Margaret Proffitt. Dr. Fray holds a DDS degree in dental surgery, and a MBA in Health Care Administration. He currently serves as the Chief of the Developmental Disabilities (DD) Division at the Department of Health (DOH), where he is responsible for the administration of the Division, community-based programs, certification of adult foster homes and DD domiciliary homes for individuals with DD; quality improvement; implementation of self-determination; and compliance with Felix Consent Decree and Makin Settlement Agreement. Dr. Fray's nomination is for two consecutive terms.

Testimony in support of PAUL K. HIGA was received from the State Council on Developmental Disabilities. Mr. Higa holds a BA degree from the University of Maryland and presently serves as the Department of Human Services (DHS) MedQUEST representative on the Council on Developmental Disabilities. Mr. Higa has over twenty-three years of experience at DHS, and has extensive experience in developing Medicaid programs, policies, and procedures.

Testimony in support of JOHN L. NOLAND was received from the State Council on Developmental Disabilities. Mr. Noland has a BA and MA degree in Psychology, specializing in Vocational Rehabilitation Counseling, from the University of Hawaii. He is presently the Assistant Administrator for DHS, Vocational Rehabilitation Services for the Blind Division.

Testimony in support of DEBORAH J. RIVERS was received from the State Council on Developmental Disabilities, Renee Furuyama of the National Association of Social Workers, Hawaii Chapter, Joel Fischer, a professor of Social Work at the University of Hawaii, Margaret Proffitt, Laurie Meech, and Lita Hickey. Ms. Rivers, who attended Kapiolani Community College, is a self-advocate and an active member in the disability community. She presently serves on the Council's Community Supports Committee and was formerly a member of the DD Council, the Patient Protection Committee for the Hawaii State Hospital, and a past board president of the Mental Health Association.

Testimony in support of HELEN SMALLEY-BOWER was received from the State Council on Developmental Disabilities. Ms. Smalley-Bower represents a consumer parent and is presently a member of the Council's Health and Homes Committee. Ms. Smalley-Bower is also active in her community through her participation in the Disability and Sexuality Committee; the Governor-appointed Reproductive Rights Committee; Hawaii State Library for the Blind and Physically Challenged; and the DOH, DD Division's Waiver Policy Advisory Committee.

Testimony in support of CHARLENE N. TARR was received from the State Council on Developmental Disabilities, Jan Kemp, and Russell Suzuki. Mr. Tarr holds a B.Ed. from the University of Hawaii and presently is a member of the Council's Employment and Education Committee. In addition to being a family member of an individual with DD, Ms. Tarr has additional experience through her employment with the Department of Education, and past employment with Arc in Hawaii and the DOH, Waimano Training School and Hospital.

Testimony in support of PAUL S. VARGAS, JR., was received from the State Council on Developmental Disabilities, and Maui Developmental Disabilities Committee. Mr. Vargas attended Baldwin High School and presently serves on the Council's Employment and Education Committee. He is the immediate past Chair of the Maui Developmental Disabilities Committee, an advocate for employing individuals with DD, and an example for others to achieve self-sufficiency.

Testimony in support of JONNA ZANE was received from the State Council on Developmental Disabilities, Betsy deBos, Ana Gamble, and Dorothy Craven. Dr. Zane holds BS and MS degrees in Speech Pathology and Audiology, and an Ed.D. in Educational Administration. She is currently the Speech Pathologist for the Central District of the Department of Education. Dr. Zane is a parent of an individual with DD, and presently serves on the Council's Employment and Education Committee.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 2878 Health on Gov. Msg. No. 197

Recommending that the Senate advise and consent to the nomination of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 197 WILLIAM K. KOKI, II, for a term to expire 06-30-05,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of the nominee was received from the Disability and Communication Access Board.

William K. Koki, II, attended Kapiolani Community College (KCC) and is presently an Independent Living Specialist at the Hawaii Centers for Independent Living. Mr. Koki is a nationally certified sign language interpreter and instructor in the American Sign Language Interpreter Education Program at KCC. Mr. Koki is also a member of the Hawaii Registry of Interpreters for the Deaf, Registry of Interpreters for the Deaf, Interpreters and Transliterators of Color, the advisory board of the Lanakila Rehabilitation Center, and the Hawaii Deaf-Blind Advisory Committee.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 2879 Health on Gov. Msg. No. 198

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII ADVISORY COMMISSION ON DRUG ABUSE AND CONTROLLED SUBSTANCES

G.M. No. 198 GARY L. BLAICH, MD, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of this nominee was received from the Department of Health.

Gary L. Blaich holds a MD degree and is board certified in neurology and psychiatry. He currently is in private practice on Kauai, but has previously served as director of the psychiatric unit at Mahelona Hospital, as a consultant to the Kauai Community Mental Health Center, and as a clinician with the Diamond Head Community Mental Health Center. Dr. Blaich is also an Assistant Professor of Psychiatry at the John A. Burns School of Medicine at the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 2880 Health on Gov. Msg. No. 199

Recommending that the Senate advise and consent to the nomination of the following:

DRUG PRODUCT SELECTION BOARD

G.M. No. 199 RONALD T. TANIGUCHI, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of this nominee was received from the Department of Health and Hawaii Pharmacists Association.

Ronald T. Taniguchi holds BS and PharmD degrees and is currently employed by Kaiser Permanente. Dr. Taniguchi has served his profession and community over twenty-five years as an officer and board member of the Hawaii Pharmacists Association, as well as through his affiliation with the American Pharmaceutical Association.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 2881 Health on Gov. Msg. Nos. 267, 268, 269, 270, 271, 272 and 273

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON MENTAL HEALTH

- G.M. No. 267 BARBARA ARASHIRO, for a term to expire 06-30-07;
- G.M. No. 268 GARY L. BLAICH, MD, for a term to expire 06-30-04;
- G.M. No. 269 WILLIAM S. BUD BOWLES, for a term to expire 06-30-07;
- G.M. No. 270 SHELLY H. OGATA, for a term to expire 06-30-07;
- G.M. No. 271 HALIMAH SHABAZZ, for a term to expire 06-30-07;
- G.M. No. 272 POE POE SUAAVA, III, for a term to expire 06-30-07; and
- G.M. No. 273 WAYNE SUNAHARA, for a term to expire 06-30-04,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of BARBARA ARASHIRO from the Department of Health and the Housing and Community Development Corporation of Hawaii (HCDCH). Ms. Arashiro holds a BBA degree in Marketing and is presently the section administrator for the HCDCH, Resident Services. Ms. Arashiro was also a Special Homeless Programs Coordinator with HCDCH.

Your Committee received testimony in support of GARY L. BLAICH from the Department of Health. Dr. Blaich holds an MD degree and is board certified in neurology and psychiatry. Dr. Blaich has worked with persons with co-occurring substance related and mental disorders at the Hawaii State Hospital and the Diamond Head Community Mental Health Center. Dr. Blaich is also an Assistant Professor of Psychiatry at the John A. Burns School of Medicine at the University of Hawaii. Dr. Blaich would serve as the Council's representative to the Drug Abuse and Controlled Substance Advisory Committee.

Your Committee received testimony in support of WILLIAM S. BUD BOWLES from the Department of Health. Mr. Bowles holds a BBA degree and presently serves as the Director of United Self-Help, a consumer-run advocacy and empowerment organization for persons with severe and persistent mental illness.

Your Committee received testimony in support of SHELLY H. OGATA from the Department of Health. Ms. Ogata holds BSN and MPH degrees and presently serves as a school health nurse. Ms. Ogata is active in her community through her participation as a board member for Hawaii Families as Allies, East Hawaii Nutrition and Physical Activity Coalition, and East Hawaii Tobacco Free Coalition.

Your Committee received testimony in support of HALIMAH SHABAZZ from the Department of Health. Ms. Shabazz holds an MA degree in Early Childhood Education Administration and is the parent of 9-year old twins who receive mental health services via the Felix Decree. Ms. Shabazz received the Mahalo Award for environmental service and the Governor's Kilohana Award for Outstanding Volunteerism.

Your Committee received testimony in support of POE POE SUAAVA III from the Department of Health. Dr. Suaava holds a BA, M.Ed., and Ph.D. degrees and is presently a school counselor at Waianae High School. Dr. Suaava has served as a member of the Council for the past three years and has expertise in implementing school-based behavioral health.

Your Committee received testimony in support of WAYNE SUNAHARA from the Department of Health, Vocational Rehabilitation and Services for the Blind of the Department of Human Services, and from Patti Shirakawa, Ph.D. Mr. Sunahara holds a BS and M.Ed. degree and is presently a Vocational Rehabilitation Supervisor with the Department of Human Services. Mr. Sunahara is a member of the National Rehabilitation Association, the Rehabilitation Association of Hawaii, and does community service through the Boys and Girls Club of Honolulu and Kuakini Medical Center.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Inouye).

SCRep. 2882 Education on Gov. Msg. Nos. 275, 276, 320, 321, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332 and 364

Recommending that the Senate advise and consent to the nominations of the following:

CENTER FOR NURSING ADVISORY BOARD

- G.M. No. 275 CATHERINE A. ADAMS, RN, MSN, for a term to expire 06-30-06;
- G.M. No. 276 PATTY P. CABANA, for a term to expire 06-30-07;
- G.M. No. 320 AGNES P. CADIZ, for a term to expire 06-30-04;
- G.M. No. 321 AGNES P. CADIZ, for a term to expire 06-30-08;
- G.M. No. 323 SALLY T. ISHIKAWA, for a term to expire 06-30-06;
- G.M. No. 324 JANE K. KADOHIRO, DrPH, APRN, for a term to expire 06-30-05;
- G.M. No. 325 BARBARA P. MATHEWS, RN, MSN, CNAA, for a term to expire 06-30-05;
- G.M. No. 326 PENNYLYNN A. ONTAI, for a term to expire 06-30-07;
- G.M. No. 327 ROSE ANN POYZER, RN, BSN, for a term to expire 06-30-04;
- G.M. No. 328 ROSE ANN POYZER, RN, BSN, for a term to expire 06-30-08;
- G.M. No. 329 ANA MARIA SILVA, RN, CAN, BC, for a term to expire 06-30-05;
- G.M. No. 330 CHEN-YEN WANG, PhD, for a term to expire 06-30-07;
- G.M. No. 331 JOAN PRINDIVILLE WHITE, for a term to expire 06-30-05;
- G.M. No. 332 AMY E. YASUNAGA, RN, MSN, PhDc, for a term to expire 06-30-06; and
- G.M. No. 364 CLEMENTINA D. CERIA, PhD, MS, RN, for a term to expire 06-30-2006,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of CATHERINE A. ADAMS, RN, MSN, from the Director of the Nursing Program at Kauai Community College, Hawaii and Pacific Health. Ms. Adams represents one of the business entities appointments. Ms. Adams has had a twenty-five year career in health care and holds a Masters degree in nursing administration from the University of Hawaii. She has worked at Straub Clinic and Hospital on Oahu and, for the last five years, at Wilcox Hospital on Kauai. She will bring a needed neighbor island perspective to the board.

Your Committee received testimony in support of PATTY P. CABANA from a Professor of Nursing from Scottsdale Community College, Hawaii Nurses' Association, and an individual. Ms. Cabana represents the Hawaii Nurses' Association appointment. Over the course of a career in nursing exceeding twenty years in length, Ms. Cabana has held numerous positions within her service organization and membership in several professional organizations. As a clinical nurse III, she also mentors and assists others in their quest for a professional career in nursing.

Your Committee received testimony in support of AGNES P. CADIZ from the Hawaii Government Employees Association, an Associate Professor of Nursing at Hawaii Pacific University, two nurses, and two individuals. Ms. Cadiz represents the Hawaii Nurses' Association appointment. Ms. Cadiz has worked in a variety of settings ranging from free community clinics, to county and state health departments, a private non-profit volunteer agency, and the American Red Cross. Presently she supervises the Windward Public Health Nursing Section. Professional development and community service are a priority of hers and she remains active with the local chapter of the American Red Cross, a sub-area council of the State Health Planning and Development Agency, Hawaii Pacific University's School of Nursing Advisory Board, and Hawaii Nurses Association.

Your Committee received testimony in support of SALLY T. ISHIKAWA from the State Adjutant General, Chair of the University of Hawaii Department of Geriatric Medicine, Leahi Hospital Hawaii Health Systems Corporation, INCO and Associates Healthcare Consultants, and an individual. Ms. Ishikawa represents the community agency appointment. Over the course of a professional career of thirty-three years, Ms. Ishikawa has worked as a staff nurse and in management at a hospital and clinic, and in home health and long-term care. She is licensed as a Nursing Home Administrator, and holds a Bachelors degree in Nursing and a Masters degree in Public Administration. Presently, she is the Oahu Regional Director of Nursing at Leahi Hospital.

Your Committee received testimony in support of JANE K. KADOHIRO, DrPH, APRN, from the State Adjutant General, Director of Health, an Associate Professor at the University of Hawaii, Child & Family Service, and a Professor Emeritus at the University of Washington. Dr. Kadohiro represents the community agency appointment. Dr. Kadohiro has been a registered nurse in Hawaii since 1977 and an advanced practice nurse since 1997. She holds numerous degrees from the University of Hawaii, including Bachelors

degrees in Sociology and Nursing, Masters degrees in nursing and public health, and a Doctorate in public health. Except for her first degree, she has worked full-time through all the rest. This has given her a varied professional career in pediatrics, public health nursing, chronic disease management, research, systems design, business management, and personnel management. She is presently on leave from the faculty of the University of Hawaii to serve as Deputy Director of Health.

Your Committee received testimony in support of BARBARA P. MATHEWS, RN, MSN, CNA, from a Professor of Nursing at the University of Hawaii. Ms. Mathews represents the American Organization of Nurse Executives appointment. Ms. Mathews has spent many decades in nursing, both in clinical practice, as a staff nurse and advanced practice nurse, and in nursing administration. In her capacity as a member of the Community Advisory Board of the University of Hawaii's School of Nursing and Dental Hygiene, she has also promoted active collaboration between the university and the professional world, strengthening nursing education, research, and clinical practice. She also worked to establish the university's first Native Hawaiian nursing cohort as well. She currently serves as Vice President for Patient Services and Chief Nursing Officer at Queen's Medical Center.

Your Committee received testimony in support of PENNYLYNN A. ONTAI from the State Adjutant General, and Castle Medical Center. Ms. Ontai represents the community agency appointment. Since graduating with a Bachelors degree in Nursing from California State University at Fresno and with a Public Health Certificate, Ms. Ontai has served as a registered nurse in a number of states on the mainland in a variety of specialty areas. Since returning to Hawaii thirteen years ago, she has been employed as a Homecare Nurse and a Manager. Currently, she is a Pediatric Homecare Registered Nurse with Castle Homecare-Castle Medical Center. She is also an active member of her Mililani community, serving with a number of civic organizations in that community.

Your Committee received testimony in support of ROSE ANN POYZER, RN, BSN, from the Healthcare Association of Hawaii, CareResource Hawaii, and Prime Care Services of Hawaii, Inc. Ms. Poyzer represents the Healthcare Association of Hawaii appointment. Ms. Poyzer has had a long and varied career in nursing spanning decades, in teaching, administration, and clinical practice at home and abroad. In her forty years of residence in Hawaii, she was also a pioneer and noted specialist in home care. Among her notable achievements in this field include starting Honolulu Home Care, the first such home care agency in the State, and serving as Executive Director of the Hawaii Association of Home Care. She is also a member of numerous professional organizations, serves on the boards of a variety of health care organizations, and is the recipient of a number of awards in her field.

Your Committee received testimony in support of ANA MARIA SILVA, RN, CAN, BC, from an Associate Professor of Nursing at the University of Hawaii at Hilo, the Hawaii Nurses Association, the Chair of the Hawaii Nurses' Association Continuing Education Committee, and two Registered Nurses. Ms. Silva represents the Hawaii Nurses' Association appointment. Born and raised in Brownsville, Texas, Ms. Silva moved to Kona seventeen years ago, where she has worked at the Kona Community Hospital in a variety of positions since then, culminating in Director of Education. Ms. Silva is a past President of the Hawaii Nurses Association, and also assists the University of Hawaii at Hilo Baccalaureate Nursing Program as a member of their advisory board. She is passionate about her profession and will bring a valuable neighbor island voice to the advisory board.

Your Committee received testimony in support of CHEN-YEN WANG, PhD, from three faculty members of the University of Hawaii. Dr. Wang represents the doctorally-prepared nurse educator appointment. Although Dr. Wang's great strength is as a nursing educator and researcher (with a specialization in diabetes education and community health), she still makes time to provide outreach in Honolulu's Chinatown as an independent nurse practitioner. Her focus on community health and cross cultural health initiatives parallel the demographics of Hawaii and will make her an outstanding addition to the advisory board.

Your Committee received testimony in support of JOAN PRINDIVILLE WHITE from Oahu Care Facility, a planner with the Executive Office on Aging, and an individual. Ms. White represents one of the business entities appointments. She received a BSN degree from Hawaii Pacific University and an MBA degree from Chaminade University. In forty years of residence in Hawaii, Ms. White has worked in acute care settings, conducted research, produced educational programs, developed health care services, and represented the health care system at the Legislature and in Washington D.C. This breadth has been further enhanced by service with the Healthcare Association of Hawaii and a variety of workforce development organizations. This focus on workforce development will enable her to help the advisory board deal proactively with periodic nursing shortages, such as the one being experienced now.

Your Committee received testimony in support of AMY E. YASUNAGA, RN, MSN, PhD, from the Interim Associate Dean of the University of Hawaii School of Nursing and Dental Hygiene, and the Hawaii Government Employees Association. Ms. Yasunaga represents the Hawaii Government Employees Association appointment. Ms. Yasunaga's varied nursing career has extended over thirty years and included acute care, community health, long-term care, school and public health, and administration, in both public and private settings. She is currently employed as a Family Nurse Practitioner at Oahu Community Correctional Center and preparing to graduate with a Doctorate in Nursing. Since 1986, she has been a member of the Hawaii Government Employees Association, serving as a steward and Chairperson of the Oahu Island Division of Unit 09.

Your Committee received testimony in support of CLEMENTINA D. CERIA, PhD, MS, RN, from an Associate Professor at the University of Hawaii, the Graduate Chair of the University of Hawaii School of Nursing, Kaiser Permanente, and Pearl City Nursing Home. Dr. Ceria represents the doctorally-prepared nurse educator appointment. Dr. Ceria's varied professional experiences include nursing administration at St. Francis Medical Center West and service as Acting Director of Nursing at Oahu Care Facility. She is also active in community service as a former President of a group called Faith Action for Community Equity that, among other things, has worked to improve the housing and safety of those living in public housing in Kalihi. She is also a current faculty member at the University of Hawaii.

Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and a desire to make Hawaii better by improving nursing care, research, and education through their participation on the Center for Nursing Advisory Board.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

SCRep. 2883 Commerce Consumer Protection and Housing on Gov. Msg. No. 169

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF ACUPUNCTURE

G.M. No. 169 RIKE WEISS, for a term to expire 06-30-05,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of RIKE WEISS from three individuals. During the past thirty years, Ms. Weiss has produced numerous events and published a wide variety of books. She also owned and operated a public relation and marketing firm for eight years. Currently, Ms. Weiss is employed with the state Department of Health where she applies her planning, marketing and media skills to the implementation of statewide health related campaigns. She has served as a founding member for Life of the Land, Eco Foods and Hawaii's Thousand Friends. Ms. Weiss earned a Master's degree in Oriental Medicine from the Tai Hsuan College of Acupuncture and Herbal Medicine, and studied Buddhism while in Sri Lanka and Thailand. The nominee represents the private citizen appointment to the board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2884 Commerce Consumer Protection and Housing on Gov. Msg. No. 171

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF BARBERING AND COSMETOLOGY

G.M. No. 171 CHRISTOBAL J. QUINTANA, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of CHRISTOBAL J. QUINTANA from one individual. Mr. Quintana has been a licensed barber for forty-four years. After twenty-eight years of self-employment, he now works for Kahala Barber and Hair Salon. During an earlier appointment to the Board of Barbers, Mr. Quintana served as the Chairperson of the Board of Barbers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2885 Commerce Consumer Protection and Housing on Gov. Msg. Nos. 172 and 173

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 172 FRANCIS G. BREWER, DC, CICE, for a term to expire 06-30-07; and

G.M. No. 173 FLORENTINA J. JOHNASEN, for a term to expire 06-30-06,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of FRANCIS G. BREWER, DC, CICE, from the Hawaii State Chiropractic Association and two individuals. Dr. Brewer, a chiropractic physician for ten years, operates a chiropractic clinic and performs independent medical evaluations. He earned his Doctorate of Chiropractic from Palmer College of Chiropractic with a minor in physical therapy and nutrition. Dr. Brewer recently served as Vice President of the Hawaii State Chiropractic Association. He is also a certified member of the American Board of Independent Medical Examiners.

Your Committee received testimony in support of FLORENTINA J. JOHNASEN from twelve individuals. Ms. Johnasen was born in Kohala, Hawaii, and educated at Konawaena High School. She attended the University of Hawaii. For twenty years, Ms. Johnasen has served as an executive secretary at Hawaiian Electric Company. She is the current Lieutenant Governor of Education for Toastmasters International and volunteers her time at the YWCA and Iolani Palace.

Your Committee finds that the nominees possess the knowledge necessary to serve on the State Board of Chiropractic Examiners. Your Committee further finds that Ms. Johnasen is already serving on the State Board of Chiropractic Examiners on an interim basis and thus is very familiar with the powers, duties, and responsibilities of the board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2886 Commerce Consumer Protection and Housing on Gov. Msg. Nos. 177, 178 and 179

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 177 F.M. SCOTTY ANDERSON, for a term to expire 06-30-07;

G.M. No. 178 ERIC CARSON, for a term to expire 06-30-07; and

G.M. No. 179 RONALD K. OSHIRO, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of F.M. SCOTTY ANDERSON from the Building Industry Association of Hawaii, HSI Mechanical, Inc., Subcontractors Association of Hawaii, Plumbing and Mechanical Contractors Association of Hawaii, Associated Builders and Contractors, Inc., Hawaii Chapter, and four individuals. Mr. Anderson has spent thirty years in the construction industry and served on the boards of several industry and business organizations including the Hawaii Island Contractors Association, Hawaii Island Chamber of Commerce, Building Industry Association of Hawaii, Honolulu Executives Association, and Honolulu Chapter of American Water Work Association. He currently serves as the Chair of Build-PAC Hawaii. He earned a Bachelor of Arts degree in public relations from San Jose State University.

Your Committee received testimony in support of ERIC CARSON from the Building Industry Association of Hawaii, Hawaii Hispanic Chamber of Commerce, Associated Builders and Contractors, Inc., Hawaii Chapter, and eighteen individuals. As the President and CEO to several organizations, Mr. Carson has been recognized as one of the top Hispanic business owners in Hawaii. He has been involved in many professional organizations in Hawaii, including the American Institute of Architects, Small Business Hawaii, Building Industry Association, and the Young Entrepreneurs Organization. Recently, he was elected director of the United States Hispanic Chamber of Commerce, the nation's largest Hispanic business organization. Mr. Carson holds a Bachelor of Science degree in business from the University of Colorado in Boulder.

Your Committee received testimony in support of RONALD K. OSHIRO from the Building Industry Association of Hawaii, HSI Mechanical, Inc., and five individuals. Mr. Oshiro, a registered civil engineer for the past forty years, has owned and managed his own construction company for the past twenty-eight years. He earned his Bachelor of Science degree in Civil Engineering from the University of Hawaii and served in the Hawaii Army National Guard. Mr. Oshiro is a member of numerous professional organizations and a director of the Hawaii Construction Industry Association. For his efforts in the construction industry, he has received several Small Business Association awards, including Contractor of the Year.

Your Committee finds that these nominees possess extensive involvement in the construction industry and its associations and will thus bring much insight to the construction industry and its concerns to the Contractors License Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2887 Commerce Consumer Protection and Housing on Gov. Msg. No. 181

Recommending that the Senate advise and consent to the nomination of the following:

CREDIT UNION ADVISORY BOARD

G.M. No. 181 SHARLENE E. SUGANUMA, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of SHARLENE E. SUGANUMA from the Hawaii Credit Union League, Hawaii Central Credit Union, and one individual. Ms. Suganuma is the Accounting Manager of the Hawaii Central Credit Union where she has been employed for twenty-three years. She began her career as a teller and quickly moved up to an accounting position. During her tenure with the Hawaii Central Credit Union she has been involved in all facets of the business. She holds a BBA in accounting from the University of Hawaii at Manoa.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2888 Commerce Consumer Protection and Housing on Gov. Msg. No. 186

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 186 STANWOOD H. KANNA, DDS, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of STANWOOD H. KANNA was received from two individuals. Dr. Kanna has been engaged in the practice of dentistry for seventeen years. He serves as a staff member to the Kauai Veterans Memorial Hospital and as a member of the hospital's Community Advisory Board. Dr. Kanna is actively involved in numerous professional and community organizations. He serves as Vice Chair of the Hawaii Islands Oral Health Task Force. Dr. Kanna earned his DDS from Loyola University School of Dentistry in Chicago, Illinois, and his BS from the University of Oregon.

Your Committee finds that the nominee possesses both the experience and knowledge necessary to serve on the Board of Dental Examiners. The nominee is the Kauai representative to the board. The nominee previously served a four-year term and is currently an interim appointee serving as the Chairperson of the Board of Dental Examiners and thus is very familiar with the mandates of the board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2889 Commerce Consumer Protection and Housing on Gov. Msg. Nos. 206, 207 and 208

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

G.M. No. 206 NORMAN N. AHU, for a term to expire 06-30-07;

G.M. No. 207 TYRUS KAGAWA, for a term to expire 06-30-07; and

G.M. No. 208 ORLANDO L. MATIAS, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of NORMAN N. AHU from four individuals. Mr. Ahu is an electrical engineer and certified public accountant who has been employed by the local telephone companies, GTE Hawaiian Tel and Verizon, for thirty-four years. He currently manages the Oahu Leeward District for Verizon with responsibilities that bring him into contact with electricians, plumbers, and other trades in the construction industry. Mr. Ahu earned an MBA from Pepperdine University and a BS in electrical engineering from the University of Hawaii. He has been active in various professional and community organizations.

Your Committee received testimony in support of TYRUS KAGAWA from the Plumbing and Mechanical Contractors Association of Hawaii. Mr. Kagawa has been employed with Oahu Plumbing and Sheet Metal Ltd. for twenty-four years. As a licensed mechanical engineer, he also holds various trade licenses including plumbing, journeyman plumber and contractor, boiler, hot-water heater and steam fitting, ventilating and air conditioning. Mr. Kagawa earned his mechanical engineering degree from the University of Hawaii. He has also served as a management representative on the Honolulu Joint Apprenticeship and Training Committee for the Plumbing and Pipe Fitting Industry.

Your Committee finds that Mr. Ahu and Mr. Kagawa are currently interim appointees to the Board of Electricians and Plumbers and thus very familiar with the duties and responsibilities necessary to carry out the objectives of the Board of Electricians and Plumbers.

Your Committee received testimony in support of ORLANDO L. MATIAS from eight individuals. Mr. Matias has owned and managed an electrical service business for twenty-five years. He obtained his electrical contractors' license while concurrently working as a maintenance engineer for Foremost Dairies. He earned a Bachelor of Science in mechanical engineering from the National University of Manila. He also holds an Associate degree in sanitary science.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2890 Commerce Consumer Protection and Housing on Gov. Msg. Nos. 277, 342, 343 and 344

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 277 JULIE TILSON, PT, DPT, NCS, for a term to expire 06-30-07;

G.M. No. 342 GWEN T. CHINN, for a term to expire 06-30-07;

G.M. No. 343 GILBERT PERRY HAGER, MD, for a term to expire 06-30-06; and

G.M. No. 344 JAMES K. HEWSON, for a term to expire 06-30-07,

The Hawaii Chapter-American Physical Therapy Association and an individual testified in support of Julie Tilson. Two individuals testified in support of nominee Gwen T. Chinn. The Hawaii Chapter-American Physical Therapy Association supported the nomination of Dr. Gilbert Perry Hager. The nomination of James K. Hewson was supported by the Hawaii Chapter-American Physical Therapy Association and three individuals.

JULIE TILSON, PT, DPT, NCS, is licensed to practice physical therapy in Hawaii and California. She holds a doctor of physical therapy degree from the University of Southern California and is certified as a neurologic clinical specialist. Ms. Tilson has practiced physical therapy since 1998 and is currently employed as a lead therapist at Castle Medical Center.

GWEN T. CHINN has a bachelor of science degree in nursing from the University of Illinois. Ms. Chinn has worked as an English language instructor and staff nurse, and is currently employed as a medical consultant and nurse case manager.

GILBERT PERRY HAGER, MD, received his medical degree from the University of Vermont and is a licensed physician in Hawaii and Rhode Island, with a specialty in physiatry. Dr. Hager, whose professional experience includes positions as medical director for the brain injury program at the Rehabilitation Hospital of the Pacific and medical director of physical medicine and rehabilitation at Castle Medical Center, is currently president and medical director for Ability Rehab Medicine Services, Ltd.

JAMES K. HEWSON, PT, holds a bachelor of science degree in physical therapy from State University of New York at Stony Brook and is licensed to practice physical therapy in Hawaii and New York. Mr. Hewson has almost thirty years of experience in physical therapy and is currently in private practice.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2891 Commerce Consumer Protection and Housing on Gov. Msg. Nos. 336, 337, 338 and 339

Recommending that the Senate advise and consent to the nominations of the following:

PEST CONTROL BOARD

G.M. No. 336 CARLTON L. AGENA, RME, for a term to expire 06-30-07;

G.M. No. 337 MICHAEL McINERNEY, for a term to expire 06-30-04;

G.M. No. 338 ERIC M. HIGASHIHARA, for a term to expire 06-30-07; and

G.M. No. 339 MICHAEL McINERNEY, for a term to expire 06-30-08,

The Hawaii Pest Control Association, Building Industry Association of Hawaii, and nine individuals testified in support of nominee Carlton L. Agena. Five individuals submitted supportive testimony on behalf of nominee Michael McInerney. Testimony in support of nominee Eric Higashihara was received from the Hawaii Pest Control Association and an individual.

CARLTON L. AGENA, RME, has a Bachelor of Science degree in wildlife biology with a minor in entomology – forest product pests, and is licensed as a pest control operator and certified applicator. Mr. Agena has worked in the pest control industry since 1972 and is currently quality assurance manager for Terminix, Hawaii Region. Mr. Agena has held numerous positions with the Hawaii Pest Control Association and currently sits on the Pest Control Advisory Committee.

MICHAEL McINERNEY has a Bachelor of Arts degree in journalism and is manager of industrial relations for Hawaiian Electric Company, Inc. Testimony in support of the nominee described him as a person of integrity, honesty, and dedication who handles sensitive and critical issues with professionalism and common sense.

ERIC HIGASHIHARA has a Bachelor of Science degree in horticulture from the University of Hawaii. The nominee is qualified as a sales manager for restricted use pesticides by the Department of Agriculture. Mr. Higashihara currently serves as a public member of the Pest Control Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2892 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 157, 158, 159 and 160

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII PAROLING AUTHORITY

G.M. No. 157 DANE K. ODA, for a term to expire 06-30-06;

G.M. No. 158 EDWARD M. SLAVISH, for a term to expire 06-30-07;

G.M. No. 159 ALBERT TUFONO, for a term to expire 06-30-04; and

G.M. No. 160 ALBERT TUFONO, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of DANE K. ODA was received from the Hawaii Paroling Authority; Hawaii State Representatives Ezra R. Kanoho, Bertha C. Kawakami, and Hermina M. Morita; and six individuals. Mr. Oda was previously the Kauai terminal manager for stevedore firm McCabe, Hamilton & Renney, a position he held for twenty-one years. He served on the Kauai Police Department for eight years, and as an instructor of police science, criminal and deviant behavior courses. He holds an MA degree in sociology and a BA degree in psychology and sociology from the University of Hawaii at Manoa, and is active in numerous professional and community organizations.

Your Committee received testimony in support of EDWARD M. SLAVISH from the Hawaii Paroling Authority, Community Assistance Center, Government Efficiency Teams, Inc., and six individuals. Mr. Slavish is a successful business person and owner of a commercial real estate brokerage and consulting firm. He is also president and board member of the John Howard Association, a nonprofit organization that assists offenders, offenders' families, ex-offenders, and youth involved in the criminal justice system to assume full and productive membership in the community. Mr. Slavish is chairman of the Sony Open ProAm Tournament, and is active in various community organizations. He earned a BS degree from LaSalle University and has demonstrated an interest in criminal justice.

Your Committee received testimony in support of ALBERT TUFONO from United States Representative Eni F. H. Faleomavaega, the Hawaii Paroling Authority, Honolulu Department of Parks and Recreation, State Public Defender, State of Hawaii Organization of Police Officers, Hawaii Human Development Corporation, and seven individuals. Mr. Tufono served on the Hawaii Paroling Authority in 2003 on a part-time, temporary basis. He is currently a corrections program specialist with the Office of Youth Services/Hawaii Youth Correctional Facility. Previously, he served as a children and youth specialist with the Office of Youth Services.

Your Committee questioned the Hawaii Paroling Authority Administrator on pending legislation to convert the two part-time positions to full-time positions. It was reported to your Committee that the authority anticipated a smooth transition should the change be enacted.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2893 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 174, 175 and 176

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 174 CORAL WONG PIETSCH, for a term to expire 06-30-07;

G.M. No. 175 ROGER DANIEL RIZZO, for a term to expire 06-30-05; and

G.M. No. 176 LISA ANN S.L. WONG, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of CORAL WONG PIETSCH from the Hawaii Department of Defense, Department of Labor and Industrial Relations, Hawaii Civil Rights Commission and three individuals. Ms. Wong serves as the senior civilian attorney for the United States Army Pacific headquarters with jurisdiction over Army forces located throughout the Pacific region, where she oversees the personnel and labor law practice and trains staff on equal employment opportunity and affirmative action issues. She is also charged with development and implementation of affirmative action plans. Ms. Pietsch served five years as the Labor Counsel for the United States Army Support Command Hawaii where she trained managers and supervisors on Title VII, Civil Rights Act, the Rehabilitation Act of 1978, and the prevention of sexual harassment. She also served six years as a Deputy Attorney General for the State of Hawaii. She received a Juris Doctorate from the Columbus School of Law, The Catholic University of America in Washington, D.C. In addition, Ms. Pietsch was a Senior Executive Fellow at the John F. Kennedy School of Government, Harvard University. She has been recognized as the first female General Officer of the U.S. Army Judge Advocate General's Corps, and the first Asian American female to reach the rank of Brigadier General in the Army Reserve. Locally, Ms. Pietsch was honored as the 2002 Woman Lawyer of the Year by the Hawaii Women Lawyers Association and was the 2002 recipient of the Organization of Chinese Americans Pioneer Award.

Your Committee received testimony in support of ROGER DANIEL RIZZO from the Department of Labor and Industrial Relations, Hawaii Civil Rights Commission, The Salvation Army, Church of the Holy Innocents and Service Corps of Retired Executives Association. Mr. Rizzo spent thirteen years as a civil trial attorney with Sedgwick, Detert, Muran and Arnold. He was also a successful electrical contractor in the San Francisco area of California. Mr. Rizzo holds a Juris Doctorate, an MBA with a specialty in Finance and a BA in International Business. He received the Hastings Law Journal and American Jurisprudence Awards in Constitutional Law and Criminal Procedure.

Your Committee received testimony in support of LISA ANN S.L. WONG from the Department of Labor and Industrial Relations, Hawaii Civil Rights Commission, Society for Human Resource Management and six individuals. Ms. Wong is the Human Resources Manager for the SMG, Inc./Hawaii Convention Center. She has worked in the human resources field for twenty-eight years. Ms. Wong has a broad working knowledge of fair employment laws, with experience in conducting internal investigations and preparing responses to discrimination complaints. She is a board member of the Society for Human Resource Management (SHRM), and was chairperson for the SHRM Hawaii State Conference in 2003. Ms. Wong also serves on numerous professional and community organizations.

Your Committee finds that all three nominees are already serving on the Civil Rights Commission as interim appointments and thus are very familiar with its functions and mandates. Your Committee further finds that each of the nominees possess both the experience and the knowledge necessary to serve on the Civil Rights Commission.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

SCRep. 2894 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 182 and 183

Recommending that the Senate advise and consent to the nominations of the following:

CRIME VICTIM COMPENSATION COMMISSION

G.M. No. 182 LISA A. DUNN, for a term to expire 06-30-07; and

G.M. No. 183 REBECCA S. WARD, for a term to expire 06-30-05,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of LISA A. DUNN from the Crime Victim Compensation Commission and an individual. Ms. Dunn is a program director for the Oahu Domestic Abuse Shelters of Child and Family Services. She has been an advocate for victims for fifteen years and concurrently she has instructed in the field of social work at the University of Hawaii and Hawaii Pacific University. Ms. Dunn represents victims' groups as a representative to the State Council for Interstate Adult Offender Supervision. She has also earned a masters degree of social work with a concentration in social development from the University of Hawaii.

Your Committee received testimony in support of REBECCA S. WARD from the Crime Victim Compensation Commission and two individuals. Ms. Ward is president of Ward Research with twenty-six years of experience in market research in Hawaii. She also serves as moderator to focus groups conducted by the company. Ms. Ward is currently a board member of the Chamber of Commerce of Hawaii and the Girl Scouts of America, Hawaii Council. She has performed pro bono work for various non profit organizations and is active in several professional organizations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2895 Judiciary and Hawaiian Affairs on Gov. Msg. No. 184

Recommending that the Senate advise and consent to the nomination of the following:

DEFENDER COUNCIL

G.M. No. 184 ALFRED B. CASTILLO, JR., for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of ALFRED B. CASTILLO, JR. from the State Public Defender. Mr. Castillo has been a private practice trial attorney for the past eight years, where he has defended major felony cases in circuit court. Prior to opening his private practice, the nominee served fourteen years in the Office of the Prosecuting Attorney of the County of Kauai. During his tenure with the Kauai Office of the Prosecuting Attorney, Mr. Castillo served nine years as the First Deputy Prosecutor.

Your Committee finds that the nominee possesses both the legal experience and the knowledge necessary to serve on the Defender Council. Your Committee further finds that the nominee is already serving on the Defender Council and thus is very familiar with the criteria important to the appointment of the State Public Defender.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2896 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 302 and 310

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 302 SHEILA LEAS, for a term to expire 06-30-07; and

G.M. No. 310 SUSAN M. PIRSCH, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee has received testimony in support of SHEILA LEAS from the Commission on the Status of Women and four individuals. Ms. Leas has devoted the past thirty years toward improving our community as a volunteer with the Girl Scout Council of Hawaii, Aloha Council of the Pacific, Hawaii Panhellenic, Punahou School, Mothers Against Drunk Driving and the Honolulu Academy of Arts. She holds a BA in graphic design from The American University.

Your Committee finds that Ms. Leas possesses the experience and commitment necessary to serve on the Commission on the Status of Women. Your Committee further finds that she is already serving on the commission and thus is very familiar with the criteria important to the solution of problems relating to the status of women.

Your Committee has received testimony in support of SUSAN M. PIRSCH from the Commission on the Status of Women, Representative Kika G. Bukoski and an individual. Ms. Pirsch is a counselor at Seabury Hall with a successful track record of working with adolescents. She previously served as executive director of the UpCountry Youth Center, Inc., responsible for the supervision and direction of four youth centers with administrative and fiscal duties. Ms. Pirsch earned a Graduate Certificate in Public Health and a BA in Journalism from the University of Hawaii. She is near completion of a Masters of Counseling in Marriage and Family Therapy from the University of Phoenix.

Your Committee finds that Ms. Pirsch possesses the knowledge and desire necessary to serve on the Commission on the Status of Women. Your Committee further finds that she is already serving on the commission and thus is very familiar with the criteria important to the solution of problems relating to the status of women.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

SCRep. 2897 Human Services on Gov. Msg. Nos. 249 and 250

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

G.M. No. 249 KIMBERLY M. SHIRAISHI, for a term to expire 06-30-06; and

G.M. No. 250 JOHN W. STONE, for a term to expire 06-30-06,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of KIMBERLY M. SHIRAISHI's nomination was submitted by Assistive Technology Resource Centers of Hawaii, United Cerebral Palsy of Hawaii, and an individual. Kimberly M. Shiraishi has first hand experience knowing what it is like to live with a disability. She was born and raised on Oahu and graduated from La Pietra Hawaii School for Girls. After graduating from Santa Clara University with a Bachelor of Science in Marketing she returned to Hawaii and eventually found employment as an Information and Outreach Coordinator for Assistive Technology Resource Centers of Hawaii. Her professional life has been devoted to working with persons with disabilities. Her community service includes working with Kids Vote 2000, Girl Scouts of Hawaii, and Organization of Women Voters. She has also received a Recognition Award from the Brain Injury Association of Hawaii.

Two individuals submitted testimony in support of nominee JOHN W. STONE. John W. Stone is employed at Helping Hands Hawaii/Weinberg Foundation with the Human Services Program. He earned his Bachelor of Arts at Virginia Wesleyan in Communications Business Administration and has been living in Hawaii for the past eleven years. His community service includes working with the Honolulu Gay and Lesbian Cultural Foundation as their Assistant Director and as a Board Member. He has also volunteered for the Food Basket.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Tsutsui).

SCRep. 2898 Economic Development on Gov. Msg. Nos. 161 and 162

Recommending that the Senate advise and consent to the nomination of the following:

STADIUM AUTHORITY

G.M. No. 161 KEVIN H.M. CHONG KEE, For a term to expire 06-30-04;

G.M. No. 162 KEVIN H.M. CHONG KEE, For a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Stadium Authority.

Your Committee received testimony in support of KEVIN H.M. CHONG KEE from the Aloha Stadium Manager and eleven individuals. Mr. Chong Kee graduated from Saint Louis High School and works as an electrician for his own business, Kevin's Electric Inc. Mr. Chong Kee's extensive business background, including owning his own small business for the past sixteen years, has endowed him with the business knowledge and practical skills, such as the ability to collaborate and work with a diverse group of individuals, which will assist him on the Stadium Authority.

Upon review of the statements submitted by the nominee, your Committee finds that the nominee possesses both the business background and strong work ethic necessary to be an effective and contributing member of the Stadium Authority. Further, the nominee has already been serving on the Stadium Authority on an interim basis and therefore has the experience and knowledge necessary to handle the various issues before the Stadium Authority.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Kawamoto).

SCRep. 2899 Economic Development on Gov. Msg. Nos. 288, 289, 290, 291 and 292

Recommending that the Senate advise and consent to the nominations of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 288 JEANETTE OTSUKA CHANG, for a term to expire 06-30-05;

G.M. No. 289 JOYCE M. EDWARDS, for a term to expire 06-30-05;

G.M. No. 290 DORVIN D. LEIS, for a term to expire 06-30-04;

G.M. No. 291 EDWARD J. MACDOWELL, for a term to expire 06-30-05; and

G.M. No. 292 BRIAN K. ZINN, for a term to expire 06-30-06,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Small Business Regulatory Review Board.

Your Committee received testimony in support of JEANETTE OTSUKA CHANG from the Department of Business, Economic Development, and Tourism, a member of the Kauai County Council, and six individuals. Ms. Otsuka Chang graduated from the University of Hawaii and established her own small business in clothing design and manufacturing while simultaneously raising her three children. Ms. Otsuka Chang is presently the President of the family business, Otsuka's, a position she has held since 1999. In that short period of time, she has revitalized the family business by utilizing technology to streamline business operations while remaining customer oriented. Her tireless efforts were recognized by her selection as Hawaii's 2003 Small Business Person of the Year.

Your Committee received testimony in support of JOYCE M. EDWARDS from the Department of Business, Economic Development, and Tourism, the National Federation of Independent Business, Hawaii Chapter, and four individuals. Ms. Edwards and her husband started a company called The Systemcenter, over twenty-eight years ago, that specializes in training small and large businesses in proper accounting and record keeping practices. This business has expanded over time and now includes space management with furniture and storage systems. The efforts of Ms. Edwards and her spouse were recognized as the United States Small Business Administration's Hawaii Small Business Person of the Year in 1993.

Your Committee received testimony in support of DORVIN D. LEIS from the Department of Business, Economic Development, and Tourism. Mr. Leis founded his own small business, Dorvin D. Leis Co. in 1961. This business is a mechanical contracting company that specializes in the installation of plumbing, air conditioning, boilers, sheet metal, and fire sprinklers. In addition, Mr. Leis is also involved in a number of other businesses located in Hawaii and Texas dealing with real estate ventures and operations. Mr. Leis is also an active member in various community organizations throughout Maui.

Your Committee received testimony in support of EDWARD J. MACDOWELL from the Department of Business, Economic Development, and Tourism. Mr. MacDowell serves as an executive for two businesses located on the island of Kauai. One business, Vison Properties, Inc., is a full service real estate company. As the Principal Broker, Mr. MacDowell was instrumental in increasing the amount of sales generated by this company. The other business is a general contracting company that is responsible for the

construction of 10 homes a year on Kauai. Mr. MacDowell is also active in the business community, having served as the past President of the Kapaa Business Association as well as the past Chairman of the Kauai Business Council.

Your Committee received testimony in support of BRIAN K. ZINN from the Department of Business, Economic Development, and Tourism and six individuals. Mr. Zinn attended the University of Hawaii and completed the Hawaii Management Program. Mr. Zinn has successfully managed two businesses, All Hawaii Cruises, Inc. and Copy Shop, Inc. Mr. Zinn's diverse business background has familiarized him with complex compliance and regulatory issues on the state and federal level. This experience has motivated Mr. Zinn to find ways to streamline the various regulatory processes in Hawaii in order to make Hawaii more business friendly.

Your Committee finds that the aforementioned nominees possess the business knowledge and practical experience necessary to serve on the Small Business Regulatory Review Board. Each nominee comes from a different business background and brings a unique perspective as well as new ideas to the Small Business Regulatory Review Board. This infusion of new ideas and diversity of backgrounds will enable the Board to make Hawaii a more business friendly environment for small businesses.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Kawamoto).

SCRep. 2900 Economic Development on Gov. Msg. No. 297

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII TELEVISION AND FILM DEVELOPMENT BOARD

G.M. No. 297 BRENDA K.H. CHING, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Hawaii Television and Film Development Board.

Testimony in support of BRENDA K.H. CHING was received from the Department of Business, Economic Development, and Tourism; the ILWU, Local 142; and the Hawaii Building and Construction Trades Council, AFL-CIO. Ms. Ching was educated at the University of Hawaii and the National Labor College. Ms. Ching has been the District Executive of the Screen Actors Guild, Hawaii branch, since 1985 and represents over 650 professional actors in the State. Further, Ms. Ching has over nineteen years of work experience representing both Hawaii's actors and the performing arts industry on the national level, including serving as the Executive Administrator of the American Federation of Television & Radio Artists, Hawaii Local, from 1990 to 2001.

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee has the working knowledge and a strong commitment to promote and expand Hawaii's growing film and television industry. Further, the nominee has developed close working relationships with various members of Hawaii's film and television community and this will enable the Hawaii Television and Film Development Board to garner the necessary support to promote film and television development in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Kawamoto).

SCRep. 2901 Human Services on H.B. No. 2022

The purpose of this measure is to clarify eligibility requirements for individuals with disabilities who receive general assistance.

Testimony in support of the measure was submitted by the Department of Human Services (department), Legal Aid Society of Hawaii, and three individuals.

Your Committee finds that current law provides eligibility requirements for general assistance, which, among other things, requires a physical or mental disability. There are no provisions for consideration of both physical and mental disabilities. Thus, there are no provisions that would allow the department to review the effects of both a physical and mental disability of the applicant's ability to work. This measure would clarify the eligibility requirements for general assistance and provide applicants a more appropriate assessment of their ability to work.

Upon further consideration, your Committee has made the following amendments:

- (1) Clarifying that initial denial notices are limited to "applicants" rather than "persons";
- (2) Reducing the twenty day extension period to ten calendar days for the issuance of a denial notice;

- (3) Deleting the unnecessary forty-five day penalty exemption;
- (4) Requiring the department to report on the progress of this measure prior to each Regular Session, beginning in 2005 and ending 2007; and
- (5) Changing the effective date to July 1, 2004, and sunseting the Act on July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2022, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2022, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Ige, Tsutsui).

SCRep. 2902 Human Services on H.B. No. 2385

The purpose of this measure is to allow the Hawaii's Child Support Enforcement Agency, through the offices of county corporations counsel, county attorneys, or the Attorney General, and the federal agency providing funding and oversight for Hawaii's child support enforcement system to have direct access to public health statistics records maintained by the Department of Health's Office of Health Status Monitoring.

Testimony in favor of the measure was submitted by the Department of Human Services, Department of Health, and Attorney General.

Your Committee finds that to comply with federal regulations, access to vital statistics records maintained by the Department of Health's Office of Health Status Monitoring must be given to the state Child Support Enforcement Agency and its designated auditing federal agency. Access to such records is necessary to ensure that appropriate action is taken when securing support for children and to satisfy federal reporting and data reliability requirements.

A technical, nonsubstantive amendment was made for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2385, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2385, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Tsutsui).

SCRep. 2903 Human Services on H.B. No. 2020

The purpose of this measure is to designate it a class C felony to sell or offer to sell travel services for the purpose of promoting prostitution, and authorizes suspension or revocation of travel agency registration for engaging in such activities.

Testimony in favor of the measure was submitted by the Department of Commerce and Consumer Affairs, Attorney General, Honolulu Police Department, Hawaii State Commission on the Status of Women, Sisters Offering Support, Sex Abuse Treatment Center, and Equality Now.

Your Committee finds that sex-oriented businesses, including sex tourism, create victims who are exploited, abused, and objectified. These individuals and businesses profiting from the sex trade must be stopped. Most recently, it has been found that one local company is specializing in sex tours to Thailand. Making it a class C felony to sell or offer to sell travel services for the purpose of promoting prostitution is one step toward holding these businesses accountable for their part in the abuse and exploitation of women.

Upon further consideration, your Committee has amended this measure to include language to provide the Regulated Industries Complaints Office with additional enforcement measures to aid in the execution of the new section.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2020, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2020, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Tsutsui).

SCRep. 2904 (Majority) Human Services on H.B. No. 1860

The purpose of this measure is to authorize a state income tax check-off system for taxpayers to designate \$5 to the Hawaii Children's Trust Fund, Domestic Violence Prevention Special Fund, and the respective Spouse and Child Abuse Special Accounts under the Department of Human Services and the Judiciary.

Testimony in support of the measure was submitted by the Hawaii Children's Trust Fund, Hawaii State Coalition Against Domestic Violence, Sex Abuse Treatment Center, Blueprint for Change, National Association of Social Workers, Molokai Family Support Center, Keiki Injury Prevention Coalition, Hawaii Coalition for Dads, and Domestic Violence Clearinghouse and Hotline. The Department of Taxation submitted testimony in opposition and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that child abuse and neglect prevention programs are severely underfunded. Currently, a majority of the funding is dedicated to physical abuse prevention programs with barely any funding going towards prevention of child neglect. This measure will not only provide a needed source of funding for these programs but will also create a venue to inform the general public about the importance of child abuse and neglect prevention.

Accordingly, this measure has been amended to reflect an earlier effective date of December 31, 2004 to facilitate the acquisition of the needed funds.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1860, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1860, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Trimble). Excused, 2 (Ige, Tsutsui).

SCRep. 2905 Human Services on H.B. No. 1859

The purpose of this measure is to require members of the clergy to report cases of child abuse, but exempting confidential clergy communications.

Testimony in support of the measure was submitted by the Department of Human Services, Child Welfare Services, Hawaii Catholic Conference, Sex Abuse Treatment Center, Hawaii Coalition Against Sexual Assault, National Association of Social Workers, Christian Science Committee on Publication, and two individuals.

Your Committee finds that members of the clergy and other staff of religious organizations should have the legal responsibility and duty to provide information of child abuse or neglect to ensure the safety and well being of a child, except when the clergy obtains that information in a confidential communication.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1859, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Tsutsui).

SCRep. 2906 Human Services on H.B. No. 1885

The purpose of this measure is to appropriate funds to the Office of Youth Services in partnership with the Department of Education to conduct a youth summit.

Testimony in favor of the measure was submitted by Office of Youth Services, Maui County Council, Hawaii Youth Services Network, and Blueprint for Change.

Your Committee finds that youth gain more from an experience when they are actively involved in significant roles in planning and implementing activities. They are the future of our islands and efforts should be made to encourage them to actively participate in shaping the community in which they live. This measure will provide a forum for them to ensure that their interests are represented and will also provide a means for them to share their information and opinions with Hawaii's decision-makers.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1885, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Tsutsui).

SCRep. 2907 Human Services on H.B. No. 2459

The purpose of this measure is to clarify that public assistance benefits are not personal injury protection benefits for purposes of the covered loss deductible.

Testimony in support of the measure was submitted by the Department of Human Services (department) and Legal Aid Society of Hawaii. The Hawaii Insurers Council submitted testimony in opposition.

Your Committee finds that the department is required by federal law to pursue reimbursement from third parties and insurers liable for any injuries or payment of reimbursement obligations as a result of any injury, disease, or death. Over half of the moneys

recovered in these cases belong to the federal government and the department either reimburses the federal government or adjustments are made in future disbursements to the department.

Currently, the covered loss deductible under section 431:10C-301.5, Hawaii Revised Statutes, requires that any judgement, settlement, or award of any automobile liability claim be reduced by \$5,000 or the amount of Personal Injury Protection benefits incurred, whichever is greater, up to the maximum limit. In certain cases this statute is reducing the amount available to reimburse the department of medical expenses in their party liability situations. As a result, the recipients of government medical assistance have the cost of medical services deducted from an award or settlement due to the covered loss deductible. In effect, they pay twice for these services when they are also required to repay the government for the cost of medical services.

Upon further consideration, your Committee has amended the effective date to July 1, 2004.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2459, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2459, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hooser, Ige, Tsutsui).

SCRep. 2908 Judiciary and Hawaiian Affairs on H.B. No. 2292

The purpose of this measure is to require fees prescribed by the Supreme Court for electronic filing, signing, serving, certification, and verification of court documents to be deposited in the Judiciary computer system special fund.

Testimony in support of this measure was submitted by the Judiciary. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that the Judiciary computer system special fund was established to provide a source of revenue to enable the Judiciary to upgrade its computer system, increase filing, purchase hardware and related software, and pay for other expenses relating to new technology to improve efficiency, productivity, and accessibility of the judicial process. The fund has been used for a number of major technology advances; however, more improvements are necessary, and your Committee believes that the fees proposed in this measure will provide additional resources to the Judiciary to assist in accomplishing its upgrading goals.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2292, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2909 Judiciary and Hawaiian Affairs on H.B. No. 2293

The purpose of this measure is to repeal the interstate parole and probation compact, which has been replaced by the interstate compact for the supervision of adult offenders.

Testimony in support of this measure was submitted by the Judiciary.

Your Committee finds that in 1957, the interstate parole and probation compact was enacted to manage the movement of offenders between the fifty states. However, the administration of the compact has suffered over the years with the growing population of adult offenders, and reform of the compact was needed.

In 2000, the Legislature adopted the new interstate compact for the supervision of adult offenders, which became effective in November 2003. With the implementation of the new compact, your Committee believes that there is no need for two interstate compacts, and as such, the interstate parole and probation compact should be repealed. Your Committee finds that this measure adequately repeals the old compact and revises references within the Hawaii Revised Statutes to the new compact.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2293, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2910 Judiciary and Hawaiian Affairs on H.B. No. 2295

The purpose of this measure is to authorize the Judiciary to contract with a bonded collection agency or licensed attorney to collect delinquent court-ordered payments and allow collection costs up to fifty per cent of the amount due.

Testimony in support of this measure was submitted by the Judiciary.

Your Committee finds that there is a need to enhance the effectiveness and efficiency of the Judiciary's collection efforts by authorizing the Judiciary to contract with a bonded collection agency or licensed attorney to assist in collections. Your Committee believes that this measure will allow this type of contractual relationship and will account for many of the delinquent court-ordered penalties, fines, restitution, sanctions, and court costs; increase state revenues; and raise the credibility of the courts.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2295, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2911 Judiciary and Hawaiian Affairs on H.B. No. 2296

The purpose of this measure is to authorize the use of debit cards in making payments, including posting bail, to the courts and allows the Judiciary to charge a convenience fee for payments made through a credit or debit card.

Testimony in support of this measure was submitted by the Judiciary.

Your Committee finds that each time an individual pays a court cost, fee, forfeiture, fine, expense, or other charge using a credit or debit card, the Judiciary generally must pay a service fee for the use of the credit or debit card service. Your Committee believes that the individual using the credit or debit card should pay for the service fee, and this measure allows that fee to be assessed to the individual.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2296, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2912 Health on H.B. No. 2198

The purpose of this measure is to require the Department of Education to permit the self-administration of medication by a student for asthma or other potentially life-threatening illnesses.

This measure also would allow a student who is permitted to self-administer medication to carry an inhaler and auto-injectable epinephrine.

Testimony in support of this measure was received from the Department of Health, Department of Education, and American Lung Association.

Your Committee finds that asthma is the most common chronic health condition affecting Hawaii's school-aged children, with at least four children with asthma in every elementary and middle school classroom.

Your Committee further finds that poorly controlled asthma in children can lead to permanent lung damage. Controlling asthma allows the child to maintain normal activity, decrease absenteeism, reduce emergency room visits, and increase educational outcomes. This measure will help make Hawaii a safer place for students with asthma, allergies, and other chronic health conditions.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2198, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2913 Health on H.B. No. 2414

The purpose of this measure is to extend for another year the Insurance Commissioner's authority to monitor the solvency of dental service organizations and dental service corporations.

Testimony in support of this measure was received from the Insurance Division of the Department of Commerce and Consumer Affairs.

Act 132, Session Laws of Hawaii 2001, Regular Session, enabled the Department of Commerce and Consumer Affairs (Department) to protect the interests of consumers by shutting down insolvent dental insurance plans that failed to pay claims, and by pursuing claims against the principal agents of these plans to recover assets on behalf of the policy holders and providers. Without Act 132, the Department would not have been successful in seizing and beginning liquidation proceedings against Hawaii Dental Health Plan (HDHP).

Since the time of its enactment, Act 132 has allowed the Department to file civil actions to investigate and pursue the principal organizers of HDHP assets that were suspiciously funneled out of HDHP bank accounts. Your Committee finds that an extension is warranted to enable the Department to bring the liquidation proceedings to a conclusion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2414, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2914 Tourism on H.B. No. 2061

The purpose of this measure is to redistribute the transient accommodations tax remittances, delete the caps on the convention center enterprise special fund and the tourism special fund, and repeal the transient accommodations tax trust fund.

Your Committee amended this measure prior to the hearing with a proposed S.D. 1, and made it available to the public. As amended, this measure establishes an Aloha Aina Patrol in counties having a population over 500,000, and retains the transient accommodations tax trust fund.

Testimony in support of the amended measure was received from the Mayor of Kauai, two Maui Council Members, Hawaii County Finance Department, Hawaii Business Roundtable, Hawaii Hotel & Lodging Association, and Waikiki Improvement Association. Testimony in opposition was received from the Department of Budget and Finance, Department of Taxation, Department of Business, Economic Development and Tourism, Mayor of Maui, and Hawaii Tourism Authority. Comments were received from the Tax Foundation of Hawaii.

This measure proposes an innovative program that will address the crime problem and spread the message of the aloha spirit at the same time. The program would create additional security patrols geared toward parks and beaches where there have been too many incidents of crime against visitors and residents.

Your Committee's intent is to assure visitors to Hawaii, as well as local residents, that they will be safe from crimes against persons or property at the State's more popular and highly visited parks and beaches. The Hawaii Tourism Authority, in conjunction with county police departments, will determine the specific areas to be patrolled.

The unit is being called 'Aloha Aina Patrol,' and will not only provide additional security, but also serve as ambassadors of aloha. These patrols will consist of police cadets and police service officers. The intent is to have Aloha Aina Patrol officers in aloha attire versus police uniforms, thus emphasizing the aloha spirit.

Your Committee finds that tourism is a vital part of the economy for the State of Hawaii, and the Aloha Aina Patrol will contribute greatly to the vitality of the visitor industry as it emphasizes the uniquely warm and friendly spirit of our island home.

To finance the Aloha Aina Patrol, your Committee has allotted the sum of \$1,000,000 from the tourism special fund and raised the ceiling on the fund by \$1,000,000 for a new limit of \$63,292,000.

Your Committee has amended the proposed S.D. 1 to require all counties to establish an Aloha Aina Patrol.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2061, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2061, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 2915 Commerce Consumer Protection and Housing on Gov. Msg. Nos. 210, 211 and 212

Recommending that the Senate advise and consent to the nominations of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 210 CLIFFORD R. SMITH, for a term to expire 06-30-07;

G.M. No. 211 JUNE J. TAKANO, for a term to expire 06-30-04; and

G.M. No. 212 JUNE J. TAKANO, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

CLIFFORD R. SMITH has been employed in the elevator trade for thirty-two years. Mr. Smith is familiar with the technical aspects of the elevator industry and spoke to his knowledge of the inherent dangers associated with elevator transportation. He supports ensuring a safe journey for those using elevator equipment. During his service in the United States Air Force, he was awarded

the "American Spirit of Honor" medal. Mr. Smith is nominated to serve a second four-year term on the Elevator Mechanics Licensing Board.

Your Committee received testimony in support of JUNE J. TAKANO from two individuals. Ms. Takano is a retired speech pathologist formerly with the state Department of Education. She spent twenty-two years evaluating children referred to a team of specialists for special education and speech therapy services. Her ability to evaluate situations and her commitment to safety will serve as valuable assets to the Elevator Mechanics Licensing Board.

Your Committee finds that Mr. Smith and Ms. Takano are currently serving as interim appointees to the Elevator Mechanics Licensing Board and thus are very familiar with the board's mandates.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2916 Commerce Consumer Protection and Housing on Gov. Msg. No. 274

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 274 JERRY W. JORDAN, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of JERRY W. JORDAN was received from three individuals. Mr. Jordan received a Bachelor of Science degree in marine engineering from the United States Naval Academy in Annapolis. He subsequently served in the United States Navy for twenty-four years and retired at the rank of Commander. Mr. Jordan offers to share a fresh, unencumbered perspective from a consumer's viewpoint. He noted that his experience with complex matters have provided him with the ability to analyze regulations and make careful judgements while maintaining public interest at the forefront.

Your Committee finds that Mr. Jordan is currently serving as an interim appointee to the Motor Vehicle Industry Licensing Board and thus is very familiar with the mandates of the board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2917 Commerce Consumer Protection and Housing on Gov. Msg. No. 248

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII HURRICANE RELIEF FUND

G.M. No. 248 KAY T. YAMADA, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of KAY T. YAMADA was received from the Board of Directors of the Hawaii Hurricane Relief Fund and five individuals. Ms. Yamada has served as manager and administrator of the state High Technology Development Corporation for the past twenty years. She has thirty years of experience in real estate development, asset and property management, and project management. A graduate of the University of Hawaii with a BBA in international trade, Ms. Yamada also holds a Hawaii real estate broker license and commercial insurance license.

Your Committee finds that Ms. Yamada is currently serving as an interim appointee to the Board of Directors of the Hawaii Hurricane Relief Fund and thus is very familiar with the duties and responsibilities of its directors.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2918 Health on S.C.R. No. 17

The purpose of this measure is to urge the United States Congress to increase its funding for the National Institutes of Health.

No testimony was received on this measure.

Your Committee finds that the National Institutes of Health (NIH), located in Bethesda, Maryland, is one of the world's foremost medical research centers, and the federal focal point for medical research in the United States. The goal of NIH research is to acquire new knowledge to help prevent, detect, diagnose, and treat disease and disability, from the rarest genetic disorder to the common cold.

Your Committee finds that increasing NIH's funding will help the United States maintain its global leadership in health care.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 17 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2919 Judiciary and Hawaiian Affairs on H.B. No. 1828

The purpose of this measure is to prohibit urinating and defecating in public places.

Testimony in support of this measure was submitted by the City and County of Honolulu's Downtown Neighborhood Board number thirteen, Chinatown Merchants Association, Fort Street Business Improvement District Association, Hawaii Theatre Center, and four individuals. Testimony in opposition to this measure was submitted by the Honolulu Police Department. Comments were also submitted by the Office of the Public Defender.

Your Committee finds that urinating and defecating in public has become increasingly common in Hawaii. These behaviors are vile, create health risks stemming from human waste, and discourage people from patronizing establishments in the area because of the smell and unsightliness. Currently there are no laws that make these acts illegal. However, your Committee believes that this measure will deter many from urinating and defecating in public and equip law enforcement with a tool to penalize individuals that continue to urinate and defecate in public.

Your Committee adopted the amendments suggested by the Honolulu Police Department by:

- (1) Prohibiting individuals from urinating or defecating in parks; and
- (2) Deleting the exemption for lack of an available restroom or other toilet facility.

Your Committee further amended this measure by:

- (1) Restricting the applicability of this measure to only the downtown Honolulu area; and
- (2) Amending the effective date to be repealed on December 31, 2009.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1828, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1828, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2920 Judiciary and Hawaiian Affairs on H.B. No. 2024

The purpose of this measure is to prohibit a person restrained by court order from transferring ownership of a firearm while the court order is in effect.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, Department of the Prosecuting Attorney for the City and County of Honolulu, Department of the Prosecuting Attorney for the County of Maui, Honolulu Police Department, County of Hawaii Police Department, Domestic Violence Clearinghouse and Legal Hotline, Hawaii State Coalition Against Domestic Violence, League of Women Voters of Hawaii, Turning Point for Families, and Hale Lokomaika'i, Women Helping Women. Testimony in opposition to this measure was submitted by the Office of the Public Defender, Hawaii Rifle Association, and four individuals.

Your Committee finds that although the law requires individuals restrained by court order to remove firearms from their control by sale, surrender, or transfer, some individuals retain control over their firearms by transferring them to friends and relatives who allow

them access to the firearms. Your Committee believes that this measure will prevent this type of transfer of ownership from occurring and help promote greater safety for victims of domestic violence.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2024, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2921 Judiciary and Hawaiian Affairs on H.B. No. 2298

The purpose of this measure is to provide that more than a de minimis pecuniary interest is needed to disqualify judges from cases; clarifies that investments not under a judge's control are not considered pecuniary interests; and provides that after full disclosure on the record, parties may waive disqualification due to pecuniary interest.

Testimony in support of this measure was submitted by the Judiciary. Testimony in opposition to this measure was submitted by the Department of the Attorney General.

Your Committee finds that the current statute requires a judge to be disqualified from hearing a case if the judge has "any" pecuniary interest. The statute makes no distinction between minor or substantial pecuniary interests, or depending on whether the judge has or does not have control of investments or divestments.

However, the disqualification of a judge under the Hawaii Code of Judicial Conduct requires a judge to have more than a de minimis pecuniary interest. Further, the code of conduct also requires that, to be disqualified, the judge participate in the management of the fund, or in a proceeding that would affect the value of the interest for an investment, such as mutual or common investment funds.

Your Committee believes that the code of conduct is more realistic for today's environment, and this measure will reconcile the current statute requirements for judge's disqualification with the code of conduct. Your Committee also finds that this measure will allow parties, after full disclosure of a judge's interests on the record, to waive the judge's disqualification for pecuniary interests.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2298, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2922 Judiciary and Hawaiian Affairs on H.B. No. 2299

The purpose of this measure is to streamline the Judiciary's processing of appellate fees and costs.

Testimony in support of this measure was submitted by the Judiciary.

Your Committee finds that currently, the clerk of the trial court collects fees and costs from an appellant, deposits the money into the trial court's trust fund, and then writes a check for the fees and costs to the Supreme Court clerk. Both the money deposited into the trial court trust fund and the money collected by the Supreme Court clerk is deposited into the general fund. Thus, to eliminate the duplicative process, this measure amends current provisions by requiring the trial court clerk to provide notice of the payment to the Supreme Court clerk, eliminating the requirement to write checks and multiple deposits between courts.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2299, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2923 Tourism on H.B. No. 2863

The purpose of this measure is to clarify the duties and responsibilities of the Hawaii Tourism Authority (HTA).

This measure, among other things, deletes references to developing and implementing the state tourism strategic marketing plan, and adds coordination and development of new products in wellness, technology, agriculture, and nature tourism to HTA's responsibilities.

Your Committee amended this measure prior to the hearing with a proposed S.D. 1, and made it available to the public. As amended, this measure adds representation of the State Foundation on Culture and the Arts (SFCA) to the Board of Directors of the HTA.

Testimony in support of the amended measure was received from the Department of Business, Economic Development and Tourism, Hawaii Tourism Authority, State Foundation on Culture and the Arts, Hawaii Consortium on the Arts, Pulama IA Kona Heritage Preservation Council, Holualoa Foundation for Arts and Culture, Volcano Art Center, and one individual.

Your Committee believes that the addition of the SFCA provides a new dimension to the decision-making process of the HTA, with a view towards enhancing cultural tourism in Hawaii. Testimony indicated that many tourists are interested in Hawaii's rich cultural heritage and would partake in cultural arts and activities. Furthermore, the addition of the SFCA would make for increased communication and partnerships among local businesses, arts organizations, artists, and other professionals to develop projects in the arts and cultural tourism. More particularly, the SFCA is affiliated with arts agencies in other states and territories and has established a presence with national and regional arts service organizations. Your Committee finds that the end result is to strengthen the tourism market position of the State.

Your Committee further finds that the areas of wellness, technology, agriculture, and nature tourism are current trends in attracting visitors, and the State should be on the cutting edge of these trends. The HTA could provide invaluable assistance to develop these areas of tourism. Your Committee envisions that the HTA would engage itself in dialogue and collaboration with professionals in the areas of wellness, technology, agriculture, and nature, in order to gain insight and understanding to promote these areas of tourism, which in turn would enhance the development of these areas.

Your Committee has amended this measure by:

- (1) Clarifying that a permanent designated representative may serve in place of the directors and chairperson, to ensure that the same representative serves in that capacity; and
- (2) Making the Director of Business, Economic Development and Tourism a nonvoting member, to be consistent with the other three nonvoting members.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2863, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2863, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 2924 (Joint/Majority) Tourism and Judiciary and Hawaiian Affairs on H.B. No. 2608

The purpose of this measure is to:

- (1) Allow the Hawaii Tourism Authority (HTA) to retain its own attorney independent of the Attorney General;
- (2) Allow HTA to have control over its own accounts, thereby giving it the same standing as the Department of Education and the University of Hawaii;
- (3) Exempt the executive director of HTA from the state retirement system;
- (4) Increase the limit to be used for HTA's administrative expenses from 3.5 to 5 percent of the Tourism Special Fund (Fund);
- (5) Change HTA's executive director's compensation package formula to not exceed 9 percent of the 5 percent of Fund moneys authorized for administrative expenses, rather than 15 percent of the 3.5 percent authorized;
- (6) Authorize the hiring of a sports coordinator to provide management services for all sporting events supported through HTA;
- (7) Specify that all interest and revenues or receipts derived by HTA from any project or project agreements shall be deposited into the Fund; and
- (8) Appropriate \$8,000,000 from the Fund to enable HTA to correct a fiscal shortfall caused by the requirement that HTA fund 18 months of a HVCB contract with 12 months of funding.

Testimony in support of this measure was received from the Hawaii Tourism Authority and Hawaii Hotel & Lodging Association. Testimony in opposition was received from the Department of Accounting and General Services, Department of Business, Economic Development and Tourism, and the Attorney General (AG) with regards to the hiring attorneys.

The intent of this measure is to improve the overall efficiency of the HTA by increasing its autonomy and making up for shortfall funding.

Your Committees have amended this measure by:

- (1) Clarifying that private attorneys may be hired only in cases of contract negotiations where the AG lacks sufficient expertise, and that the private attorney is to work with the designated deputy attorney general assigned to the HTA; and
- (2) Changing the effective date to upon approval and changing the sunset date to June 30, 2007.

As affirmed by the records of votes of the members of your Committees on Tourism and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2608, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2608, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, 2 (Hogue, Slom). Excused, 3 (Fukunaga, Ihara, Tsutsui).

SCRep. 2925 (Majority) Tourism on H.B. No. 2781

The purpose of this measure is to provide a public information shield for booking records of the Hawaii Convention Center relating to certain information pertaining to licensees.

Testimony in support of this measure was received from the Department of Business, Economic Development and Tourism and the Hawaii Tourism Authority. Testimony in opposition was received from the Society of Professional Journalists Hawaii Chapter and two individuals. Comments were received from the Office of Information Practices.

This measure is intended to facilitate the booking of business at the Hawaii Convention Center. This measure addresses the situation wherein a potential licensee requests the pre-booking and booking information, including the license agreement, to be kept confidential. A licensee may want to do this for a variety of reasons, including maintaining privacy of planned corporate activities and of corporate publicity. Some companies include a nondisclosure provision in their license agreements as a standard procedure. Testimony indicated that a potential licensee may decide to book at another convention center if the booking information cannot be kept confidential.

Your Committee notes that this measure provides for confidentiality until ten days after the event has occurred or when the event is cancelled, which does not infringe upon freedom of information.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2781, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Tsutsui).

SCRep. 2926 (Majority) Labor on H.B. No. 1786

The purpose of this measure is to allow employees in positions that are exempted from civil service, who have satisfactorily performed work for five or more consecutive years, to be eligible to apply for intra-departmental and inter-departmental transfers and promotional examinations for which they are otherwise qualified.

This measure also:

- (1) Requires the number of exempt positions not to exceed an unspecified percentage of the number of full-time equivalent civil service positions; and
- (2) Requires the Department of Human Resources Development to make an annual report to the Legislature as to the current number and percentage of civil service exempt positions within the State.

Testimony in support of this measure was submitted by the Department of Education, the Department of Human Resources Development, and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Testimony in opposition to this measure was submitted by the Department of Personnel Services for the County of Maui.

Your Committee finds that, not unlike their civil service counterparts, many employees in positions that are exempted from civil service have spent their careers gaining invaluable knowledge, experience, and skills necessary to efficiently and effectively perform their duties. Your Committee further finds that, although they enjoy other benefits, employees in exempt positions do not enjoy many of the benefits afforded civil service employees, despite their accumulated level of knowledge and service. Therefore, your Committee determines that some parity should be provided to the employees in exempt positions by providing them with the opportunity to apply for departmental transfers and promotional examinations, while also balancing the interests and rights of civil service employees.

Additionally, in order to ensure that the rights and privileges of civil service are provided whenever possible, your Committee believes that it is also prudent to monitor and attempt to limit the number of exempt positions within the State, with the Department of Human Resources Development being the appropriate entity to control and report such figures to the Legislature. Although this measure does not contain a specific maximum percentage amount for exempt positions within the State, your Committee also believes that this measure should continue to advance in the Legislature as further discussion on the issue will eventually produce a percentage amount.

Accordingly, your Committee has amended this measure by increasing the number of years for which an employee in an exempt position is required to have worked from five years to eight years in order to be eligible to apply for intra-departmental and inter-departmental transfers and promotional examinations for which they are otherwise qualified.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1786, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1786, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

SCRep. 2927 Labor on H.B. No. 1919

The purpose of this measure is to require adjustment to compensation and benefit packages for employees who are excluded from civil service to be at least equal to those provided under collective bargaining agreements within the employer's jurisdiction.

Testimony in support of this measure was submitted by the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association and forty-eight private citizens.

Testimony in opposition to this measure was submitted by the Department of Human Resources Development.

Your Committee finds that Act 253, Session Laws of Hawaii 2000, amended the law as it relates to salary increases and other cost adjustments for excluded civil service employees to allow for variable adjustments based upon performance. Accordingly, such adjustments are permitted to be lower than adjustments for those covered under a collective bargaining agreement, a practice which was previously disallowed.

Your Committee finds that a majority of the employees that are excluded from collective bargaining are career civil servants who have competed for their positions in the same manner as other public employees. Your Committee further finds that these employees have spent their entire careers gaining invaluable knowledge and the necessary skills required to efficiently and effectively run the state programs that provide critical services to our community. Additionally, irrespective of changes in the administration, these employees have managed to successfully rise through the ranks and continue to dutifully perform their managerial duties.

Therefore, your Committee determines that, in the interest of fairness and equity, it is necessary to adequately compensate these excluded employees at a level which is at least equal to their counterparts who are covered by collective bargaining.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1919, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2928 Labor on H.B. No. 2446

The purpose of this measure is to make an emergency appropriation of \$7,417,636 for the payment of collective bargaining increases, which became effective January 2003, for Department of Education employees within bargaining units (1), nonsupervisory employees in blue collar positions, and (5), teachers and other personnel of the Department of Education under the same pay schedule, including part-time employees working less than twenty hours a week who are equal to one-half of a full-time equivalent.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association.

Your Committee finds that effective January 1, 2003, a four percent wage increase was negotiated for bargaining unit (1), and, effective January 21, 2003, a three percent wage increase was negotiated for bargaining unit (5). Your Committee further finds that the Governor's fiscal biennium 2003-2005 proposed budget omitted the necessary funding for these wage increases. Therefore, your Committee determines that an emergency appropriation is necessary to correct this error so as to ensure that adequate funds are available to compensate the employees of bargaining units (1) and (5) for fiscal year 2003-2004.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2446, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 2929 Labor on H.B. No. 2466

The purpose of this measure is to make an emergency appropriation in the amount of \$3,055,896 to the Department of Human Resources Development for the payment of workers' compensation claims.

Testimony in support of this measure was submitted by the Department of Human Resources Development.

Your Committee finds that pursuant to Act 200, Session Laws of Hawaii 2003, funds in the amount of \$4,993,726 were appropriated to the Department of Human Resources Development for the payment of workers' compensation claims against the State. Your Committee further finds that, due to the rising costs associated with the workers' compensation program, including increases in the cost of medical care, the maximum weekly compensation rate, and the cost-of-living allowance for claimants receiving permanent

total disability benefits, current funding levels fail to meet existing and anticipated costs. Therefore, your Committee determines that this emergency appropriation is necessary to ensure that the State is capable of fulfilling its obligations under the law.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2466, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 2930 Labor on H.B. No. 2467

The purpose of this measure is to amend the law relating to the salaries of fourteen various positions in order to recruit and retain qualified staff.

Specifically, this measure adjusts the salary levels for positions within the:

- (1) Hawaii Labor Relations Board;
- (2) Stadium Authority;
- (3) Civil Defense Agency;
- (4) Housing and Community Development Corporation of Hawaii;
- (5) Public Utilities Commission;
- (6) Office of Solid Waste Management;
- (7) Executive Office on Aging;
- (8) Hawaii Paroling Authority;
- (9) Office of Veterans' Services;
- (10) Labor and Industrial Relations Appeals Board;
- (11) Office of Community Services; and
- (12) Office of the Public Defender.

Testimony in support of this measure was submitted by the Department of Budget and Finance, the Department of Human Resources Development, the Housing and Community Development Corporation of Hawaii, the Department of Defense, the Office of Veterans Services, the Advisory Board on Veterans Services, the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association, and the League of Women Voters of Hawaii.

Comments on this measure were also submitted by the Hawaii State Ethics Commission.

Your Committee finds that the salary levels for the aforementioned positions are currently established by statute and are beyond the review of the Executive Salary Commission. Therefore, adjustments to the salary level of these positions must be accomplished statutorily, outside the purview of the Executive Salary Commission. Your Committee further finds that the salary levels for several of these positions have remained unchanged for over a decade. Additionally, the salary levels for seven of these positions were set within the range of a deputy or assistant to a department head, which seems to indicate that such salary levels were intended to be established on a level equivalent to those of a deputy director or assistant.

Therefore, your Committee determines that it is necessary to provide for the adequate compensation of the individuals in these positions at a level commensurate with their responsibilities, experience, and performance in order to recruit and retain qualified individuals. However, your Committee also determines the salary of the Executive Director of the Hawaii State Ethics Commission is currently fixed within the range of a deputy director and is also in need of adjustment. Additionally, your Committee believes that further clarification is necessary to specify who will determine the salary for those positions not tied to a deputy director's salary.

Accordingly, your Committee has amended this measure by:

- (1) Including an amendment to the salary of the Executive Director of the Hawaii State Ethics Commission to be set by the appointing authority, the State Ethics Commission;
- (2) Changing the salary of the Executive Director and Executive Assistant of the Housing and Community Development Corporation of Hawaii (HCDCH) to be set by the appointing authority, the Board of Directors of HCDCH;
- (3) Specifying the appointing authority for each position to which a salary is determined by an appointing authority; and

- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2467, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2467, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 2931 Labor on H.B. No. 2579

The purpose of this measure is to fund collective bargaining cost items in the agreements negotiated with the exclusive bargaining representatives of Unit 2, supervisory employees in blue collar positions; Unit 3, nonsupervisory employees in white collar positions; Unit 4, supervisory employees in white collar positions; Unit 5, teachers and other personnel of the Department of Education under the same pay schedule, including part-time employees working less than twenty hours a week who are equal to one-half of a full-time equivalent; Unit 6, educational officers and other personnel of the Department of Education under the same pay schedule; Unit 8, personnel of the University of Hawaii and the community college system; and Unit 13, professional and scientific employees, who cannot be included in any of the other bargaining units, including those officers or employees within Units 2, 3, 4, 6, 8, or 13 who are assigned to the Hawaii Health Systems Corporation.

This measure also funds salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and who belong to the same compensation plans as officers and employees within Units 2, 3, 4, 6, 8, or 13.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO and the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association.

Your Committee finds that, although no sums have been appropriated or authorized from the sources of funding indicated in this measure, a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representatives for Units 2, 3, 4, 6, 8, and 13 will eventually produce settlements.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2579, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2932 Labor on H.B. No. 2580

The purpose of this measure is to fund salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for officers and employees who are excluded from collective bargaining within of the Office of the Auditor, the Hawaii State Ethics Commission, the Office of the Legislative Reference Bureau, and the Office of the Ombudsman.

Testimony in support of this measure was submitted by the Office of the Auditor, the Hawaii State Ethics Commission, the Office of the Ombudsman, and the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association.

Your Committee finds that the Office of the Auditor, the Hawaii State Ethics Commission, the Legislative Reference Bureau, and the Office of the Ombudsman provide invaluable services to the Legislature and the State as a whole. However, the salaries for the Auditor, the Executive Director of the Hawaii State Ethics Commission, the Ombudsman, and Director of the Legislative Reference Bureau, and their first deputy or first assistants, where applicable, have remain unchanged for well over a decade.

Your Committee determines that, although no sums have been appropriated or authorized from the sources of funding indicated in this measure, the measure should continue to advance in the Legislature as a vehicle for funding salary increases and cost adjustments for the aforementioned agencies in order to provide for adequate compensation of the individuals in these positions at a level commensurate with their responsibilities, experience, and performance.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2580, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2933 Labor on H.B. No. 2581

The purpose of this measure is to fund collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Unit 10, institutional, health, and correctional workers, including those employees assigned to the Hawaii Health Systems Corporation.

This measure also funds salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for institutional, health, and correctional workers who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association and the United Public Workers, AFSCME, Local 646, AFL-CIO.

Your Committee finds that, although no sums have been appropriated or authorized from the sources of funding indicated in this measure, a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 10 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2581, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2934 Labor on H.B. No. 2582

The purpose of this measure is to fund collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Unit 7, faculty of the University of Hawaii and the community college system.

This measure also funds salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for faculty of the University of Hawaii and the community college system who are excluded from collective bargaining.

Your Committee finds that, although no sums have been appropriated or authorized from the sources of funding indicated in this measure, a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 7 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2582, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2935 Labor on H.B. No. 2583

The purpose of this measure is to fund collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Unit 5, teachers and other personnel of the department of education under the same pay schedule, including part-time employees working less than one-half of a full-time equivalent.

This measure also funds salary increases and cost adjustments for officers and employees within the Department of Education who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association.

Your Committee finds that, although no sums have been appropriated or authorized from the sources of funding indicated in this measure, a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 5 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2583, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2936 Labor on H.B. No. 2584

The purpose of this measure is to fund collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Unit 1, nonsupervisory employees in blue collar positions, including those employees assigned to the Hawaii Health Systems Corporation.

This measure also funds salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for nonsupervisory employees in blue collar positions who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association, and the United Public Workers, AFSCME, Local 646, AFL-CIO.

Your Committee finds that, although no sums have been appropriated or authorized from the sources of funding indicated in this measure, a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 1 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2584, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2937 (Majority) Labor on H.B. No. 2659

The purpose of this measure is to appropriate funds for the establishment of two new positions within the Disability Compensation Division of the Department of Labor and Industrial Relations to process vocational rehabilitation plans.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR) and the Department of Human Resources Development.

Your Committee finds that vocational rehabilitation is a necessary program that aids an injured worker in returning to the active workforce in a timely, cost-effective manner. Your Committee further finds that within the program, vocational rehabilitation plans must be reviewed and approved by DLIR; however, DLIR is currently experiencing a shortage of vocational rehabilitation plan reviewers. As a result, without the appropriate staff to implement the program, the extended delay of a worker's re-entry into the workforce will act to further drain state resources. Therefore, your Committee determines that the establishment of additional positions and the appropriation of the requisite funding for these positions will allow the vocational rehabilitation program to operate efficiently and effectively.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2659, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

SCRep. 2938 Judiciary and Hawaiian Affairs on H.B. No. 2294

The purpose of this measure is to increase the administrative costs imposed for processing of traffic cases and provides that additional moneys collected will be deposited into the Judiciary computer systems special fund.

Testimony in support of this measure was submitted by the Judiciary. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that the Judiciary computer systems special fund was established to provide a source of revenue to enable the Judiciary to upgrade its computer system. The fund has been used for a number of major technology advances; however, more improvements are necessary.

Your Committee finds that this measure, which will permit the Judiciary to retain one-half of the fees collected for administrative costs for processing traffic citations, will help to defray the costs of the continued upgrade of the Judiciary's computer system.

Your Committee also notes that last year, the Legislature passed a similar measure that directed existing fees charged for administrative costs imposed in traffic cases be deposited in the Judiciary computer system special fund. However, the measure was vetoed by the Governor because the money, normally deposited into the general fund, would now be deposited into the special fund, negatively impacting the State's limited resources.

However, your Committee notes that unlike the vetoed measure, this measure will not adversely affect the general fund because only the increased fees generated by this measure will be deposited into the special fund.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2294, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2939 Judiciary and Hawaiian Affairs on H.B. No. 2301

The purpose of this measure is to require that all appeals from trial courts and administrative agencies be submitted to the Intermediate Court of Appeals, subject to review by the Supreme Court through the transfer or application for a writ of certiorari.

Testimony in support of this measure was submitted by the Judiciary. The Department of the Attorney General submitted comments on this measure.

Your Committee finds that the current process for appeals requires a significant amount of judicial, professional, and clerical staff resources simply to review each appeal and assign it to either the Supreme Court or the Intermediate Court of Appeals. Your Committee further finds that these resources, especially the judicial resources, are better used for resolving cases rather than assigning them.

Your Committee believes that the administration of appellate cases should be more efficient, and this measure adequately addresses these problems by:

- (1) Changing the Supreme Court's jurisdiction to appeals by writ of certiorari or transfers from the Intermediate Court of Appeals;
- (2) Requiring most appeals to be filed with the Intermediate Court of Appeals instead of the Supreme Court;
- (3) Repealing criteria for assigning appeals; and
- (4) Creating a task force to review the new process and make recommendations for implementing the provisions in this measure.

Your Committee adopted the Department of the Attorney General's amendments by:

- (1) Clarifying that if the Intermediate Court of Appeals fails to issue a certificate or the Supreme Court rejects a certificate for transfer, the case shall be reinstated in the Intermediate Court of Appeals for review;
- (2) Repealing section 661-9, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2301, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2301, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2940 Judiciary and Hawaiian Affairs on H.B. No. 2803

The purpose of this measure is to appropriate moneys to add nine investigators to the Narcotics Enforcement Division of the Department of Public Safety.

Testimony in support of this measure was submitted by the Department of Public Safety.

Your Committee finds that the Narcotics Enforcement Division is in need of nine more investigators to adequately accomplish its enforcement goals, which includes this State's ongoing battle against crystal methamphetamine and other illegal drugs. Your Committee believes that these investigators are necessary, and this measure will appropriate the moneys to fund the positions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2803, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 2941 Judiciary and Hawaiian Affairs on H.B. No. 2976

The purpose of this measure is to appropriate moneys for the weed and seed strategy.

Testimony in support of this measure was submitted by the Department of the Attorney General, Department of Public Safety, Housing and Community Development Corporation of Hawaii, Honolulu Police Department, Weed and Seed in Hawaii, and Waipahu Community Association.

Your Committee finds that the weed and seed strategy is a collaborative effort among law enforcement (federal, state, and county) agencies, social service agencies, private businesses, nonprofit organizations, and residents to reclaim, restore, and rebuild communities.

Since its inception, the weed and seed strategy has been successful by “weeding” out crime in the Kalihi-Palama and Chinatown areas of downtown Honolulu, as well as “seeding” the community with human services and revitalization. Based on the success of the program in this area, your Committee believes that the weed and seed strategy works and should expand to help other communities.

Your Committee noted testimony from the Weed and Seed program to amend this measure by changing the funding to a grant-in-aid directly to the YMCA of Honolulu. However, your Committee believes that the specific issues for appropriating funds, including to whom the funds should be dispersed, are better addressed by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2976, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 2942 Education on H.B. No. 1875

The purpose of this measure is to appropriate one dollar for the Department of Education to purchase more new and recently published textbooks in order to update the textbooks periodically and to provide a sufficient number of textbooks for every student enrolled in the public schools.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii State Teachers Association, and a high school student.

Your Committee finds that providing an adequate amount of textbooks is one of the most fundamental prerequisites for student success academically. Your Committee further finds, however, that curriculum is often not aligned within a school complex. This hampers a student’s ability to attend different schools within the complex, as well as their ability to pass from grade-to-grade with an articulated, cumulative arc of learning.

Your Committee has amended the measure by:

- (1) Requiring that a particular school’s textbooks shall be aligned with the curriculum of that school’s complex as a whole; and
- (2) Deleting the specific appropriation figure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1875, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1875, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Tsutsui).

SCRep. 2943 (Joint) Education and Transportation, Military Affairs, and Government Operations on H.B. No. 1907

The purpose of this measure is to make an appropriation for tuition assistance for National Guard members enrolled in degree programs at the University of Hawaii.

Your Committees received testimony from the President of the Hawaii National Guard Association and 2nd Battalion Commander for the 298th Regiment, Hawaii Army National Guard; University of Hawaii; and Hawaii Chamber of Commerce.

Your Committees find that we ask so much of our citizen soldiers in these days of global uncertainties. This program is a great way to thank and reward them by giving them the opportunity to complete their degree and be the best educated they can be to perform our state and federal missions.

Your Committees have amended the measure to include military reservists in the tuition waiver program.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1907, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1907, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Baker, Kanno, Tsutsui).

SCRep. 2944 Education on H.B. No. 1926

The purpose of this measure is to make technical conforming amendments to the interstate agreement on qualifications of educational personnel.

Your Committee received testimony in support of the measure from the Department of Education.

Your Committee finds that this measure reflects the fact that, since the Hawaii Teacher Standards Board has assumed responsibility for the licensure and certification of teachers, they are now the responsible party within the State for matters relating to interstate licensure reciprocity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1926, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Tsutsui).

SCRep. 2945 Education on H.B. No. 2273

The purpose of this measure is to establish a revolving fund for the After-school Plus Program.

Your Committee received testimony in support of the measure from the Board of Education, the Department of Education, and a high school student.

Your Committee finds that the After-school Plus Program, known as the A+ Program, has been an effective and necessary means of providing after-school care services to public school latchkey students in kindergarten through grade six. Currently, in sites where schools operate the A+ Program directly, fees collected for A+ Program services are deposited into the State's general fund. As a result, there is no guarantee that the fees collected will be dedicated to running the A+ Program. As such, because the A+ Program is subject to state funding, in lean economic times, the A+ Program's viability becomes an issue. Establishing a revolving fund for the deposit of fees related to the A+ Program would ensure that such fees collected are dedicated to fund the program and maintain its viability.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2273, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Tsutsui).

SCRep. 2946 Education on H.B. No. 2645

The purpose of this measure is to exempt retired Department of Education teachers holding a teaching license from any prerequisite coursework that the department requires of other substitute teachers.

Your Committee received testimony in support of the measure from the Hawaii State Teachers Association. Your Committee received testimony in opposition to the measure from the Department of Education.

Your Committee finds that it is somewhat arbitrary to assume that a retired Department of Education teacher somehow loses access to their professional experience simply by virtue of retirement. To the contrary, their skills are very valuable and make them a premium source of much-needed substitutes.

Nevertheless, your Committee is also cognizant and supportive of the Department of Education's laudable goal of maintaining certain minimum baseline standards for its pool of substitute teachers. Indeed, if teachers have been retired for some time, they may not be familiar with new developments in pedagogy and recently adopted education reform models that impact on teaching.

Your Committee finds the best way of reconciling retired teachers' desire to serve and the Department's wish to maintain standards is by having a limited, fixed period after retirement during which they are exempt from the coursework required of other substitutes.

Your Committee has amended the measure by:

- (1) Establishing an exemption for retired Department of Education teachers for ten years after retirement; and
- (2) Changing the effective date from February 31, 3004 to upon approval.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2645, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2645, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Tsutsui).

SCRep. 2947 Education on H.B. No. 2815

The purpose of this measure is to authorize the issuance of general obligation bonds to take advantage of the Qualified Zone Academy Bond Program.

Your Committee received testimony in support of the measure from the Department of Education.

Your Committee finds that the Qualified Zone Academy Bond Program, authorized under the Taxpayer's Relief Act of 1997, would establish qualified zone academies in empowerment zones, enterprise communities, or schools serving low- or moderate-income students as determined by the National School Lunch Act. Such a program could be a valuable means of supporting the educational needs of an underserved segment of the student population.

Your Committee further finds that the taxable status of these bonds, with a zero interest rate, would provide the State with very favorable leverage for its current cash. These fiscal benefits outweigh the effort needed to attain them.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2815, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Tsutsui).

SCRep. 2948 Commerce Consumer Protection and Housing on H.B. No. 1818

The purpose of this measure is to prohibit tenants and their guests from engaging in illegal drug activity and to facilitate the eviction of tenants who violate this prohibition.

The Hawaii Association of REALTORS testified in support of this measure and an individual offered comments.

This measure prohibits tenants from possessing, or from allowing their guests or visitors to possess, dangerous, harmful, or detrimental drugs. This measure also allows a landlord to bring summary eviction proceedings against a tenant who violates this prohibition without first providing an opportunity to cure the violation. Your Committee finds that this measure will better enable landlords to safeguard their property and the health and safety of other tenants by allowing for the immediate removal of tenants engaged in illegal drug activity.

Your Committee has amended this measure:

- (1) To extend the prohibition against possession of illegal drugs in the dwelling unit to the common areas of an apartment building and to the lot boundaries of a single-family residence;
- (2) To permit a landlord to admit as evidence in a summary eviction proceeding law enforcement notices or reports of illegal drug possession on the landlord's property, subject to the evidence laws; and
- (3) By making a technical, nonsubstantive amendment to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1818, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1818, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 2949 Commerce Consumer Protection and Housing on H.B. No. 2064

The purpose of this measure is to exempt Roth individual retirement accounts (IRAs) from the claims of creditors pursuant to attachment, execution, seizure, the operation of bankruptcy or insolvency laws under 11 U.S.C. §522(b), or under any legal process.

The Department of Taxation testified in support of this measure.

Your Committee finds that IRAs are valuable financial tools for retirement planning. Both traditional and Roth IRAs allow individuals to enjoy the benefit of tax-deferred growth on their retirement savings year after year, but each type of IRA is utilized differently depending upon an individual's current situation and future needs.

Your Committee further finds, however, that while both traditional IRAs and Roth IRAs are retirement instruments, only the former is protected from the claims of creditors under current law. This measure corrects this oversight by specifically including retirement funds in a Roth IRA as benefits exempt from attachment or seizure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2064, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 2950 Commerce Consumer Protection and Housing on H.B. No. 2363

The purpose of this measure is to establish the Attorney General's authority to oversee and supervise public benefit corporations.

The State Attorney General testified in support of this measure. St Francis Healthcare System of Hawaii opposed the measure.

In 2001, Hawaii adopted the Revised Model Nonprofit Corporation Act (Model Act), but the Model Act's provisions relating to oversight of nonprofit corporations organized for charitable or educational purposes, also known as "public benefit corporations", were not included. This measure adopts those provisions, providing the Attorney General with statutory authority to supervise and, where necessary, enforce the law against the approximately 3,500 public benefit corporations organized in Hawaii.

Among other things, this measure:

- (1) Requires notice to the Attorney General of judicial proceedings, mergers, intent to dissolve, and the sale of substantially all of a public benefit corporation's assets;
- (2) Establishes requirements for a merger of public benefit corporations;
- (3) Allows the Attorney General to challenge a public benefit corporation's power to act in a proceeding brought against a director, office, or employee;
- (4) Allows the Attorney General to seek the removal of a corporate director for breach of fiduciary duty, fraud, gross abuse of authority, and on other grounds;
- (5) Establishes guidelines for the post-dissolution distribution of a public benefit corporation's assets in the absence of requirements in the corporation's articles or bylaw; and
- (6) Permits the approval of a transaction in which a director has a conflict of interest if the transaction is approved by the Attorney General prior to or after its consummation.

Your Committee finds that this measure will provide the Attorney General with the necessary authority and tools to ensure that the charitable assets of public benefit corporations are being appropriately used and applied.

Your Committee has amended this measure:

- (1) To allow a dissolved corporation that is not a public benefit corporation and whose articles or bylaws do not provide for the distribution of its assets on dissolution, to transfer its assets to its members, if any, or to persons the corporation serves or benefits;
- (2) By deleting the amendment that proposed to require the Director of Commerce and Consumer Affairs to provide written notification to the Attorney General when the Director dissolved a public benefit corporation; and
- (3) By making technical, nonsubstantive amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2363, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2363, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 2951 (Joint/Majority) Human Services and Health on S.C.R. No. 47

The purpose of this measure is to urge the Governor to establish a Department of Aging and Long-Term Care.

The Executive Office on Aging submitted comments on this measure.

Your Committees find that the State's ability to serve its rapidly aging population, projected to number twenty-five percent of our total population in less than a decade, deserves a serious assessment of the State's capacity to address the diverse concerns of our elders and their communities. A Department of Aging and Long-Term Care will help focus state resources on these issues. The report on recommendations on how to establish the Department of Aging and Long-Term Care should include input from caregivers and any other relevant information needed to address needs of our elders.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 47 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Ige, Tsutsui, Hogue).

SCRep. 2952 Health on H.B. No. 1991

The purpose of this measure is to provide immunity from liability for any physician who administers automatic external defibrillators (AED) without remuneration.

This measure also provides immunity for any person responsible for the site where an AED is located; clarifies that immunity for AED-trained individuals applies to any AED device, regardless of location.

Testimony in support of this measure was received from the Judiciary and American Heart Association. Consumer Lawyers of Hawaii submitted comments.

Your Committee finds that the enactment of legislation five years ago that allowed appropriately trained lay rescuers to use AEDs resulted in the survival of dozens of cardiac arrest victims who might have died absent the legislation. The law, however, only exempted persons who completed an AED program administered by a physician from liability, which in effect blocked potential AED sites from implementing programs. Your Committee finds that this measure, which protects physicians from liability, will help remove barriers to implementing life-saving AED programs.

Your Committee has amended this measure by:

- (1) Deleting subsection (g), because subsection (f) adequately clarifies that a person trained to use an AED at one location is covered for liability when using an AED at another location; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1991, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1991, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2953 Health on H.B. No. 2170

The purpose of this measure is to authorize the issuance of \$20,000,000 in special purpose revenue bonds for construction improvements and expansion for the Rehabilitation Hospital of the Pacific.

Testimony in support of this measure was received from the Rehabilitation Hospital of the Pacific.

Your Committee finds that the Rehabilitation Hospital of the Pacific is the only rehabilitation hospital in Hawaii and provides much needed services to the residents of the State. The hospital needs to expand its outpatient clinic, inpatient beds, construct a new parking garage, and upgrade physicians' and administrative spaces.

Your Committee further finds that the financing of the project in this measure constitutes assistance to a health care facility and is in the public interest.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of S.B. No. 2578, which has the appropriate effective date.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2170, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2170, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2954 Health on H.B. No. 2472

The purpose of this measure is to allow the continued sale of syringes for the prevention of disease by making permanent the provisions of Act 292, Session Laws of Hawaii (SLH) 2001.

Testimony in support of this measure was received from the Department of Health, John A. Burns School of Medicine of the University of Hawaii at Manoa, Life Foundation, Community Health Outreach Work to Prevent AIDS, Hawaii CARES, Harm Reduction Hawaii, HIV Service Agency of Kauai (Malama Pono), Healthy Mothers, Healthy Babies Coalition of Hawaii, Association for Professionals in Infection Control and Epidemiology, Inc., Drug Policy Action Group, a doctor, and an individual.

Your Committee finds that the Centers for Disease Control recognizes that use of sterile syringes reduces spread of blood borne diseases such as HIV and hepatitis. Research has also indicated that these laws do not lead to an increase in the number of new users, but rather lead to safer use by existing users.

Act 292, SLH 2001, permits pharmacists, physicians, and other health care institutions to sell sterile syringes. This measure would delete the sunset date and allow for the continuation of this effective public health intervention.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of S.B. 2581, S.D.1, which includes a purpose section, and repeals section 2 of Act 292, Session Laws of Hawaii 2001, because the tasks in that section have already been completed.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2472, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2472, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2955 Health on H.B. No. 2539

The purpose of this measure is to amend the certificate of need law to provide that for an existing hospital, a certificate of need (CON) or exemption from a CON is not required until the hospital applies for a building permit.

Testimony in support of this measure was received from the State Health Planning and Developmental Agency, Queen's Medical Center, Healthcare Association of Hawaii, Castle Medical Center, Hawaii Pacific Health, and Kusao & Kurahashi, Inc.

Your Committee finds that current law requires health care organizations to obtain a CON prior to receiving any State or county license or permit. The City and County of Honolulu Corporation Counsel has determined that any existing hospital must obtain a CON prior to receiving a plan review use (PRU) permit. A PRU is a long-range planning tool that provides a conceptual framework for construction five to ten years into the future. While the PRU is a long-range planning tool, the CON is focused on projects that will be implemented within a year of approval. These are two distinct processes, and both are not needed for the same project.

This measure will exempt existing hospitals from the requirement of obtaining a CON for a PRU, removing the unnecessary burden on existing hospitals and ensuring that the purpose of a CON will be maintained.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2539, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2956 Health on H.B. No. 2798

The purpose of this measure is to add the intranasal delivery of drugs and the oral and intranasal delivery of vaccines to the scope of practice of pharmacists.

Testimony in support of this measure was received from the Board of Pharmacy. Testimony in opposition was received from Hawaii Medical Association and MedImmune, Inc.

Your Committee finds that a pharmacist who is appropriately trained should be able to administer intranasal drugs and vaccines. Pharmacies are ideally suited to provide preventative immunization health care services, thus addressing the critical public health issue of inadequate immunizations.

This measure, as written, impedes community access to quality vaccines by changing the effective date of the law to July 2006, and also places an undue burden on vaccine administrators by requiring that intranasal vaccines be administered away from the general public, which seems unnecessary and contradictory to the goal of widespread vaccination.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with the contents of S.B. No. 3079 that does not reference the general public and is effective upon approval.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2798, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2798, H.D. 1, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2957 Transportation, Military Affairs, and Government Operations on H.B. No. 680

The purpose of this measure is to enact a new ethics law to require mandatory ethics training programs for all state officers and employees.

Testimony in support of this measure was received from the Hawaii State Ethics Commission (Commission), Board of Education, and League of Women Voters of Hawaii.

The Commission testified that it has had a strong education program since 1986. It conducts ethics workshops on Oahu and on the neighbor islands for hundreds of state officials and employees every year. Your Committee finds that a specific ethics program targeted to top levels of government officials would serve the State's interest in ethical government.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 680, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2958 Transportation, Military Affairs, and Government Operations on H.B. No. 1770

The purpose of this measure is to provide for graduated fines for repeated violations of the motor vehicle alarm systems law.

This measure increases the fine after the third violation to \$250 for the fourth, \$375 for the fifth, and \$500 for a sixth or subsequent violation. This measure also amends section 291-24.6, Hawaii Revised Statutes, to specify that offenses are deemed violations which require the issuance of a summons or citation to the registered owner.

Testimony in support of this measure was received from two individuals.

This measure is intended to address the frequently occurring incidences of car alarms that activate repeatedly for one reason or another, and continue to sound for more than five minutes. These prolonged alarms are loud, unnecessary, and annoying to the general public.

Your Committee has amended this measure by adding the penalty of driver's license revocation at the discretion of the court for any person who speeds in excess of ninety miles per hour, for a period not exceeding five years.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1770, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1770, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2959 Transportation, Military Affairs, and Government Operations on H.B. No. 1806

The purpose of this measure is to require sufficient notice to commanding officers of military installations in the State of proposed zoning changes and petitions for land-use boundary amendments.

Specifically, this measure requires a county planning department that processes zoning change applications to notify the authorities of any military installation of proposed zoning changes on lands, and any petitions for land-use district boundary amendments. This applies to lands within 3,000 feet or two miles of any military installation, depending on the population size of the county. The measure further requires the county land use decision-making authority to take specified steps in reviewing any petition for district boundary amendment involving these lands.

Testimony in support of this measure was received from the State Department of Defense and Chamber of Commerce of Hawaii. Testimony in opposition was received from the Office of Hawaiian Affairs, Land Use Research Foundation of Hawaii, American Friends Service Committee Hawaii Area Program, and five individuals. Comments were received from the State Land Use Commission.

This measure is intended to address the situation wherein certain base closings in the past resulted from the encroachment on the installation by nearby civilian growth. This encroachment effectively diminished the effectiveness of that military base.

The intent of your Committee is to provide for a fair and deliberate process of zoning change when surrounding land use changes affect a military base.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1806, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Water, Land, and Agriculture.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2960 Transportation, Military Affairs, and Government Operations on H.B. No. 1904

The purpose of this measure is to increase the income tax deduction provided to national guard members and other reservists.

Testimony in support of this measure was received from the State Department of Defense, Chamber of Commerce of Hawaii, and four individuals. Testimony in opposition was received from the Department of Taxation. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that with the global uncertainties that exist today, it is imperative that the State maintain its military strength by supporting the Hawaii national guard and other reserve components. A strong military presence locally not only enhances our nation's war on terrorism, but also supports the State during times of natural disasters and other emergencies.

By increasing the income tax deduction to national guard members and other reservists, this measure provides an excellent incentive for the recruitment and retention of qualified and motivated national guard members and reservists.

Your Committee has amended this measure to provide for a \$5,000 income tax exemption, on the recommendation of the Department of Defense, as reflective of inflation since the law was amended to provide for the current \$1,750, by Act 340, Session Laws of Hawaii, 1990.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1904, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1904, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2961 Transportation, Military Affairs, and Government Operations on H.B. No. 2290

The purpose of this measure is to create a three-tier system of driver licensing, including creation of a provisional license for persons under the age of eighteen.

This measure also specifies the requirements for obtaining a provisional license and driving with a provisional license, and provides for a waiting period before a suspended or revoked license is reinstated.

Testimony in support of this measure was received from the Department of Transportation, Department of Health, Honolulu Police Department, American Academy of Pediatrics, Hawaii Insurers Council, Keiki Injury Prevention Coalition, State Farm Mutual Automobile Insurance Company, and Mothers Against Drunk Driving. Testimony in opposition was received from the Office of the Public Defender. Comments were received from the Judiciary.

The three-tier system created by this measure institutes progressive graduation from a learner's permit, to a provisional license, to a driver's license. A graduated system of driver licensing like this is the norm in the country. Hawaii is one of only six states without such a system. Your Committee has learned that eighty-five per cent of the parents of young drivers in states having a graduated system rate the system as good.

Your Committee notes testimony that drivers under the age of nineteen continue to be involved in crashes that result in fatalities and injuries at twice the rate of the population as a whole. In Hawaii, forty-eight percent of injury deaths among fifteen to nineteen year olds in the ten-year period between 1993 and 2002 were due to motor vehicle crashes. Your Committee finds that the high percentage of deaths among teen drivers in Hawaii is attributable to inexperience and inadequate driving skills. The intent of this measure is to reduce teen deaths due to negligent driving. The sad fact is that these tragedies can be easily avoided with a simple amendment to the laws.

A graduated three-tier system would afford young drivers more time and experience behind the wheel under the supervision of a mature licensed driver. Your Committee sincerely believes that age, time, experience, maturity, and supervision are keys to driver safety for young people. Safe driving is a skill to be learned gradually over a period of time, like any other skill.

Your Committee has amended this measure by deleting its contents and inserting S.B. No. 2023, S.D. 1, a companion measure which makes the following changes:

- (1) Clarifies the applicability of the law to the same motor vehicles which a driver's license is required;
- (2) Changes the term "safety belts" to "seat belt assembly" as the correct statutory terminology found in section 291-11.6(a), Hawaii Revised Statutes;
- (3) Restricts the nighttime passengers to one immediate family member, and allows one unrelated person under age 18, along with other related passengers or passengers over age 18, to be in the vehicle during daylight hours; and
- (4) Deletes the school activity exemption, status offense provision, and speeding provision.

Your Committee has also changed the effective date to January 1, 2005.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2290, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2290, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2962 Transportation, Military Affairs, and Government Operations on H.B. No. 2354

The purpose of this measure is to:

- (1) Make an emergency appropriation of \$1,550,000 to repair or replace damaged or destroyed state facilities; and
- (2) Increase the expenditure ceiling of the State Risk Management Revolving Fund to \$12,000,000 to facilitate payment of claims.

Testimony in support of this measure was received from the Department of Accounting and General Services.

This is an emergency appropriation, made pursuant to Article VII, Section 9, of the State Constitution. Your Committee finds that the emergency appropriation is requested for non-recurring claims, namely, to repair or replace damaged or destroyed state facilities. Your Committee finds that these claims are reasonable.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2354, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2963 Transportation, Military Affairs, and Government Operations on H.B. No. 2444

The purpose of this measure is to add a joint headquarters component to the headquarters staff of the national guard.

This measure also provides that the assistant adjutant general in charge of each component of the national guard have a grade no higher than major general, instead of brigadier general under the current law.

Testimony in support of this measure was received from the state Department of Defense.

Current components of the national guard are the army national guard and air national guard. Since the tragic attacks upon the United States on September 11, 2001, the nation has been taking actions to prepare for and protect against additional terrorist attacks upon the United States. The state Department of Defense has evolved into a joint headquarters, and this amendment will codify that change.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2444, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2964 Transportation, Military Affairs, and Government Operations on H.B. No. 2523

The purpose of this measure is to change the passenger facility charge revenue fund to a special fund, and to exempt the fund from the assessment for central service expenses and administrative expenses, and from deposits into the airport revenue fund.

Testimony in support of this measure was received from the Department of Transportation and Airlines Committee of Hawaii.

According to the justification sheet attached to the original measure, this is a housekeeping measure intended for clarification. The passenger facility charge revenue fund was created by Act 213, Session Laws of Hawaii 2003 (codified as section 261-5.5, Hawaii Revised Statutes) for the specific purpose of prohibiting expenditure of passenger facility charge revenues for other than approved projects. Expenditures for central services and administrative expenses are prohibited under 14 Code of Federal Regulations §158.13, which specifies that moneys be used only to finance approved projects.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2523, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2965 Transportation, Military Affairs, and Government Operations on H.B. No. 2630

The purpose of this measure is to repeal the prohibition against payment of commissions to rental car employees based upon the sale of the fuel purchase option to a customer.

Testimony in support of this measure was received from Alamo Rent A Car, National Car Rental, Hertz Rent A Car, Cendant Car Rental Group, Catrala-Hawaii, and Dollar Thrifty Automotive Group, Inc. Comments were received from the Office of Consumer Protection.

The "fuel purchase option" is marketed by the rent-a-car industry as a convenience that provides the renter with the option to purchase a full tank of gas at the time of taking delivery of the rental vehicle at the prevailing market price of the fuel. By taking this option, the renter is not required to refuel the vehicle before returning it to the rent-a-car company and is not charged for any additional refueling.

Testimony indicated that there have been no consumer complaints about overzealous sales people trying to sell the option.

Your Committee finds that since the rent-a-car companies have been permitted to offer this option, the Office of Consumer Protection has not received any complaints in marketing it. Hawaii should be able to offer the same kind of commission that is offered on the Mainland.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2630, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 2966 Transportation, Military Affairs, and Government Operations on H.B. No. 2956

The purpose of this measure is to establish a mass transit planning account as a special account within the general fund.

This measure requires tax revenues from the fuel license tax to be deposited into the account, not to exceed a total amount of \$3,600,000. The Director of Finance is required, by January 1, 2007, to transfer \$600,000 from the account to a separate account of the highway fund for each county having a population greater than 500,000. The transferred moneys are to be used by the county to develop and finalize a mass transit work plan, including a fixed guideway mass transit system. Upon specified county approval procedures, the Director of Finance is required to transfer the remaining \$3,000,000 into the separate account for the county to prepare an environmental impact statement and a financial plan within two years of the receipt of the moneys by the county. Provisions are made for the moneys in case the county fails to accomplish these matters.

This measure further requires that of the sixteen cents state sales tax per gallon of liquid fuel and of the fifteen cents state sales tax per gallon of diesel fuel, an unspecified amount is required to be paid into the mass transit planning account, to be used for the same purposes.

Testimony in support of this measure was received from the Honolulu Department of Transportation Services, one Honolulu City Council Member, Chamber of Commerce of Hawaii, Land Use Research Foundation of Hawaii, and Leeward Oahu Mass Transportation Management Association. Testimony in opposition was received from the Department of Transportation and Department of Taxation. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that the federal government is requiring the State to demonstrate a commitment to fund a mass transit system from state or local funds as a precondition to providing federal funding. U.S. Representative Earl Blumenauer (Oregon), a leading advocate of mass transit financing in Congress, on a January 7, 2004 visit told transportation and business leaders in Honolulu that the State needs to have its local fundraising plan in place before Congress acts on a new long-term transportation measure. U.S. Representative Neil Abercrombie has urged the Legislature to expedite a measure to provide a funding mechanism and for the Governor to sign it as soon as possible.

Your Committee further finds that mass transit is a critical element to the alleviation of traffic congestion and is necessary to the full development of West Oahu. Your Committee is cognizant of past failed attempts to fund a mass transit system, and believes that the impetus to get a mass transit system in place has never been stronger than it is right now. However, the opportunity to develop a mass transit system with federal funds is fleeting.

This measure is an alternative to another proposed measure to increase the excise tax to pay for mass transit. This measure imposes no new taxes, but instead reallocates existing tax revenues derived from fuel license taxes collected from distributors.

Your Committee has amended this measure by:

- (1) Making a technical amendment by clarifying the "special account" to be the "mass transit planning account," which is the proper terminology; and
- (2) Changing the effective date to July 1, 2004.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2956, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2956, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 2967 Human Services on Gov. Msg. Nos. 284, 285, 286 and 287

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

G.M. No. 284 WINNIFRED AOKI, for a term to expire 06-30-07;

G.M. No. 285 SIGNE A. GODFREY, for a term to expire 06-30-07;

G.M. No. 286 MALCOLM T. KOGA, for a term to expire 06-30-06; and

G.M. No. 287 LORNA L.U. OTA, for a term to expire 06-30-06,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of WINNIFRED AOKI was submitted by the Department of Human Services. Winnifred Aoki is a retired Department of Education teacher with degrees from the University of Hawaii in Education and Guidance and Counseling. She has special training in daily living activities for the visually handicapped. Her community service involves volunteering at Dole Middle School, Honolulu Community College, senior care homes, and with the Girl Scouts of Hawaii. Furthermore, she is a member of the Statewide Independent Living Council of Hawaii.

Testimony in support of SIGNE A. GODFREY was submitted by the Department of Human Services, Chamber of Commerce, Olsten Staffing Services, Altres Staffing, CTA Staffing, Avalon Development and Consulting, Pineapple Tweed, Westaff of Hawaii, University of Phoenix, Kelly Services, Manpower, Remedy Intelligent Staffing, Hawaii Food Industry Association, and three individuals. Signe A. Godfrey is a member of the State Workforce Development Council and President of Olsten Staffing Services. Her numerous community activities involve serving as President of the Friends for Foster Kids and as a member of Neighborhood Board #12, the Salvation Army Board, the Rotary Club of Honolulu Board, Hawaii Employers Council Board, Plaza Club Board of Governors, YWCA Board, Junior Achievement Board, and the School Advisory Board.

Testimony in support of MALCOLM T. KOGA was submitted by the Department of Human Services. Malcolm T. Koga is the founder and chairman of Koga Engineering & Construction, Inc. He is a graduate of Roosevelt High School and has a degree in Civil Engineering from the University of Hawaii. His involvement with the community includes work with the West Honolulu Rotary Club, Honolulu Chamber of Commerce, State Pest Control Board, and American Lung Association.

The Department of Human Services, Straub Clinic and Hospital, and two individuals submitted testimony in support of LORNA L.U. OTA. Raised in Kapahulu, she is a graduate of St. Francis School of Radiology Technology and has an associate's degree in Liberal Arts from the Windward Community College. She has been a member of the Spasmodic Dysphonia Support Group of Hawaii since 1991 and is involved in community activities with the St. John Vianney Church.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Tsutsui).

SCRep. 2968 (Joint) Human Services and Health on S.C.R. No. 45

The purpose of this measure is to extend, for one more year, the Statewide Interagency Task Force to develop a plan for coordination and expansion of services provided through Healthy Start to young children and their families.

Testimony in favor of the measure was submitted by the Department of Human Services, Department of Health, Blueprint for Change, Parents and Children Together, and the Hawaii Family Support Institute.

Your Committees find that an interagency task force was established by the 2003 Legislature to analyze the critical issues involved in increased coordination among key service agencies and potential expansion of services provided to young children at risk and their families. As the suggested objectives, reported by the task force, will span a four-year period, the task force extension for one year is needed to realize an action plan for these objectives. It is the intent of this measure to continue to encourage the Department of Human Services' and the Department of Health's collaboration with other members of the task force to implement the overall goal of reducing maltreatment and developing the most effective system of care for our youngest children.

Accordingly, your Committees have amended this measure to require the task force be co-chaired by the Director of Human Services and Director of Health.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 45, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 45, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Tsutsui, Hogue).

SCRep. 2969 (Joint) Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations on H.B. No. 267

The purpose of this measure is to transfer the Office of Elections, Elections Appointment and Review Panel, and Campaign Spending Commission to the Judiciary for administrative purposes and modify the number of members, their terms, and the appointment process for the Judicial Council.

Testimony in support of this measure was submitted by the Campaign Spending Commission. Testimony in opposition to this measure was submitted by the Department of the Attorney General, Hawaii State Ethics Commission, the League of Women Voters of Hawaii, and Pro Democracy Initiative. Comments were also submitted by the Judiciary and the Office of Elections.

In the 2003 legislative session, the Office of Elections, Elections Appointment and Review Panel, and Campaign Spending Commission were administratively attached to the Department of Accounting and General Services. However, recent issues regarding the autonomy of these offices indicate that these offices may be more appropriately attached to the Judiciary for administrative purposes.

However, your Committees noted concerns from the Judiciary and Department of the Attorney General about the Office of Elections, Elections Appointment and Review Panel, and Campaign Spending Commission being attached to the Judiciary and the possible separation of powers problem.

Thus, to address those concerns, your Committees amended this measure by attaching the Office of Elections, Elections Appointment and Review Panel, and Campaign Spending Commission to the Department of the Attorney General.

Your Committees also noted concerns from the Judiciary, Hawaii State Ethics Commission, the League of Women Voters of Hawaii, and Pro Democracy Initiative regarding the changes to the selection of the Judicial Council. As such, your Committees adopted the recommendations from the testimony by removing section 4 from this measure.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 267, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 267, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Baker, Ihara, Kanno, Menor).

SCRep. 2970 (Joint) Judiciary and Hawaiian Affairs and Education on H.B. No. 1335

The purpose of this measure is to provide University of Hawaii students of Hawaiian ancestry partial or full tuition waivers, subject to admissions requirements and maintenance of satisfactory grade levels.

Testimony in support of this measure was submitted by the Department of Education, Office of Hawaiian Affairs, and one individual. Comments were submitted by the University of Hawaii.

Your Committees find that although the enrollment of Hawaiians in the University of Hawaii system has increased over the years, the total numbers of Hawaiians are still underrepresented in the system. Your Committees believe that this measure is vital in making higher education for Hawaiians more accessible and takes steps in a positive direction.

Your Committees noted the concerns raised by the University of Hawaii regarding the need for the Legislative Reference Bureau (LRB) to update its 1991 study, "Tuition Waivers for Hawaiian Students in Higher Education" and address other legal issues. Your Committees find that this measure is of importance and believe that this measure should continue on to the Committee on Ways and Means to facilitate further discussion.

However, to address the concerns raised by the University of Hawaii, your Committees have amended this measure by adding a second part to this measure to require the LRB to:

- (1) Update the LRB's 1991 study, "Tuition Waivers for Hawaiian Students in Higher Education"; and
- (2) Address current legal concerns regarding:
 - (a) Legal challenges to the native Hawaiian programs;
 - (b) The Akaka bill in Congress;
 - (c) Alternative sources of funding; and
 - (d) The standards set by the U.S. Supreme Court ruling on the University of Michigan's affirmative action program.

Your Committees have also requested that the LRB submit a comprehensive report of this study to the Legislature no later than twenty days prior to the Regular Session of 2005.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1335, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1335, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Fukunaga, Ihara, Kawamoto, Menor, Tsutsui).

SCRep. 2971 Judiciary and Hawaiian Affairs on H.B. No. 2297

The purpose of this measure is to adopt the Uniform Guardianship and Protective Proceedings Act in place of existing Parts I through IV of Article V of Chapter 560, Hawaii Revised Statutes (HRS), the Hawaii Uniform Probate Code, relating to guardianship of persons and property of minors and incapacitated persons. This measure also makes conforming amendments to other statutory sections.

Testimony in support of this measure was submitted by the State Council on Developmental Disabilities, Department of Health, Judiciary, Hawaii Commission to Promote Uniform Legislation, and Hawaiian Disability Rights Center. Testimony in opposition to this measure was submitted by the Department of the Attorney General.

Your Committee finds that the current Hawaii Uniform Probate Code relating to the guardianship of persons and property need revisions to better clarify guardianships over property, minors, and incapacitated adults. This measure specifically:

- (1) Stresses the importance of using full guardianships and conservatorships as the last resort, making limited guardianships and conservatorships the preferred choice between the two;
- (2) Makes the guardian or conservator consult the ward or the protected person, when feasible, to make decisions, and requires the guardian or conservator to follow the ward's or protected person's expressed desires and personal values in making decisions; and
- (3) Implements the concept of a "standby" guardian, which is a person that a parent or spouse may appoint to be a future guardian when the need for a guardian is appropriate.

Your Committee noted concerns expressed by the Department of the Attorney General (AG). As such, your Committee adopted the amendments suggested by the AG. Your Committee further notes that both the AG and the Judiciary conferred on the amendments and agree on the changes. Specifically, this measure was amended by:

- (1) Amending venue for an emergency or a temporary substitute guardian of an incapacitated person to be the "circuit in which the respondent is present";
- (2) Amending notice requirements to allow a court to waive notice for good cause as an exception to requiring notice of the petition to a particular person;
- (3) Clarifying that a guardian of a minor or incapacitated person shall be entitled to reasonable compensation from the ward's estate for services as guardian or for reimbursement of other relevant expenses;
- (4) Clarifying that any owner, operator, or employee of a long-term institution or other care settings at which the respondent is receiving care may not be appointed as a guardian, unless that person is related to the respondent;
- (5) Clarifying that notice for a guardianship of a minor is only required for living legal parents of the minor whose parental rights have not been terminated pursuant to chapter 571 or 587, HRS;
- (6) Clarifying that a court may appoint a guardian or place limitations on guardianships, except where a guardian was appointed subsequent to parental rights terminated under chapter 571 or 587;
- (7) Allowing the courts to waive notice to any person other than the respondent if all reasonable efforts were made to identify or find a person on which to serve notice; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2297, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2297, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2972 Tourism on H.B. No. 2186

The purpose of this measure is to make an appropriation to the Filipino Centennial Celebration Commission to prepare for the 2006 Filipino Centennial Celebration.

Testimony in support of this measure was received from the State Foundation on Culture and the Arts, Filipino Centennial Commission, Congress of Visayan Organizations, Ilocos Surian Association of Hawaii, and forty-one individuals.

Act 159, Session Laws of Hawaii 2002, established the fifteen member temporary commission to, among other things, prepare an overall program to celebrate the centennial anniversary of the arrival of the Filipino people in Hawaii, their significant contributions to the development of this State, and their culture and heritage. The commission is also charged with developing, planning, and coordinating the various program activities that will be scheduled throughout the year. Act 159 did not appropriate any funds, but allowed the commission to seek grants from public and private sources and to accept donations.

Your Committee has amended this measure to make an unspecified appropriation that is "up to" \$1,000,000, so that if a lower sum is provided in matching funds, the lower amount will be appropriated from the general fund.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2186, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2186, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 2973 (Joint/Majority) Tourism and Economic Development on H.B. No. 2809

The purpose of this measure is to establish a qualified hotel project tax credit to stimulate large hotel and commercial construction, renovation, and redevelopment.

Testimony in support of this measure was received from the Land Use Research Foundation of Hawaii, Chamber of Commerce of Hawaii, Hawaii Hotels & Lodging Association, Cendant/Fairfield, Hawaii Resort Developers Conference, Polynesian Cultural Center, Hawaii Reserves, Inc., and Ko Olina Resort & Marina. Comments were received from the Department of Taxation, Waikiki Improvement Association, the Department of Business, Economic Development and Tourism, Hawaii Tourism Authority, and Tax Foundation of Hawaii.

Your Committees find that tourism is the foundation of Hawaii's economy. As the primary engine that infuses millions of dollars worth of U.S. and foreign currency into our economy, the visitor industry serves our State by establishing thousands of local jobs, stimulating real estate and commercial investment, as well as providing a dedicated revenue base for the transient accommodations tax (TAT).

Your Committees further find that these tax credits will provide tax incentives to spur the developing and refurbishing of resort properties. According to testimony, the resort industry needs upgrading in order to continue to compete in a globally competitive tourist market. It is difficult to attract investment dollars in this industry because investors can generally find better returns elsewhere and in other forms.

Your Committees further find that providing tax credits for qualified costs is an appropriate manner to give Hawaii the needed investments to accomplish this, enabling Hawaii to remain as a pre-eminent tourist destination.

Your Committees have amended this measure by deleting references to a tax credit under chapter 237D, Hawaii Revised Statutes, relating to the TAT.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2809, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2809, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 2 (Slom, Trimble). Excused, 5 (Ihara, Kanno, Kawamoto, Sakamoto, Taniguchi).

SCRep. 2974 Health on H.B. No. 2093

The purpose of this measure is to create a service license for dentists and dental hygienists working in federally qualified health centers or Native Hawaiian Health System sites.

Testimony in support of this measure was received from the Department of Health, State Council on Developmental Disabilities, Board of Dental Examiners, Hawaii Island Dental Task Force, Hawaii Dental Association, Hawaii Medical Service Association, Good Beginnings Alliance, Hawaii Primary Care Association, Kalihi-Palama Health Center (Hale Ho `Ola Hou), and Papa Ola Lokahi.

Your Committee finds that although Hawaii enjoys one of the highest per capita ratio of dentists in the country, it is often difficult for low-income and uninsured individuals to find dentists willing to provide them with services. This measure would help to expand the pool of professionals willing to work in those communities to assure that the basic dental care needs of Hawaii residents are met.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of S.B. No. 2586, S.D. 1, which allows dental professionals to practice under the Community Service License for an indefinite period, rather than only five years, which this measure provides.

The amended measure also corrects the reference to the required exam for dental hygienists.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2093, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2093, H.D. 1, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2975 Health on H.B. No. 2098

The purpose of this measure is to provide for the release of the medical records of a deceased person, with certain limitations, to the next of kin.

Specifically, this measure would:

- (1) Allow a personal representative of a deceased person's estate to obtain copies of the deceased person's medical records upon presentation of proper documentation;
- (2) Allow the deceased person's next of kin in a specified order of priority, when there is no personal representative, to obtain the medical records, upon presentation of an affidavit, unless the deceased person previously indicated in writing that the person did not wish to have medical records released to next of kin;
- (3) Allow release of medical records by a court order, notwithstanding the other provisions; and
- (4) Provide for exceptions in cases of certain specially protected health information.

Testimony in support of this measure was received from Healthcare Association of Hawaii, Queen's Medical Center, and Kaiser Permanente.

Your Committee finds that a deceased person's medical records may be needed for life insurance or worker's compensation death benefits, as well as used as evidence in a lawsuit in a traffic accident. However, due to requirements of the federal Health Insurance Portability and Accountability Act (HIPAA), a health care provider may only release the patient's medical records if that patient had a will. Absent a will, which many people do not have, the deceased's relatives will have to undergo legal proceedings that can be costly and time consuming.

Your Committee has amended this measure by making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2098, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2098, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2976 (Joint/Majority) Health and Human Services on H.B. No. 2109

The purpose of this measure is to provide a tax credit to resident taxpayers for long-term care insurance premiums.

Testimony in support of this measure was received from the Executive Office on Aging, State Farm Mutual Automobile Insurance Company, American Council of Life Insurers, Chamber of Commerce of Hawaii, Hawaii Long Term Care Association, Healthcare Association of Hawaii, and Hawaii Medical Association. Testimony in opposition was received from the Department of Taxation and Kokua Council. Comments were received from the Tax Foundation of Hawaii.

Your Committees find that long-term care for our elderly population is costly. Costs for nursing homes often exceed a family's ability to pay, threatening self-sufficiency. Even home- and community-based services require resources beyond the means of many families. Many family members, in order to care for their aging loved one, may be forced to work reduced hours at their jobs, adjust career and personal goals, place their own health in jeopardy, and retire earlier than intended, resulting in lower pensions and retirement benefits. Your Committees also find that a tax incentive will encourage individuals to assume responsibility for their, and their loved ones, long-term care.

Your Committees have amended this measure by:

- (1) Deleting its contents and replacing it with the contents of S.B. No. 2455, S.D. 1, which does not include a phased-in percentage of long-term care insurance premium payments;

- (2) Deleting the word "resident" from resident taxpayer throughout the measure; and
- (3) Making the tax credit available to joint taxpayers with an adjusted gross income of \$80,000 or less.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2109, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2109, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Ige, Tsutsui, Hogue).

SCRep. 2977 Health on H.B. No. 2981

The purpose of this measure is to make permanent the Board of Nursing's power to grant prescriptive authority to qualified advance practice registered nurses.

Testimony in support of this measure was received from the Board of Nursing, Hawaii Government Employees Association, Hawaii Medical Association, the Hawaii Chapter of Pediatric Nurse Practitioners/Nurses, and the Hawaii Nurses Association.

Your Committee finds that a formulary exists that consists of three physicians, three pharmacists, and three advanced practice registered nurses (APRNs). This formulary was placed under the jurisdiction of the Board of Medical Examiners (BME). APRNs, however, currently operate under an unnecessarily restrictive arbitrary formulary governed by the BME. Concerns have been raised that the BME has not been timely in producing and updating approved formularies for APRNs. Absent input from APRNs, a formulary cannot be developed without the knowledge of their function and any other issues they may face in their daily practice. The establishment of an advisory committee under the Board of Nursing would be more supportive and allow APRNs to function to their maximum capabilities.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of S.B. No. 3085, S.D. 2, which retains provisions relating to the existence of the Joint Formulary Advisory Committee, the collegial working relationship with licensed physicians, and a means for a reporting system.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2981, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2981, H.D. 1, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 2978 Water, Land, and Agriculture on H.B. No. 1848

The purpose of this measure is to establish a tax deduction for exceptional trees.

Testimony in support of this measure was submitted by the Office of the Corporation Counsel for Hawaii County, Hawaii Audubon Society, and the Hawaii Chapter of the Sierra Club. Testimony in opposition to this measure was submitted by the Department of Taxation.

An exceptional tree is a tree with historic or cultural value or that, by reason of its age, rarity, location, size, esthetic quality, or endemic status is worthy of preservation. Your Committee finds that such exceptional trees benefit the community at large, as well as the individual property owner, and your Committee believes that tax incentives should be given to property owners to maintain any tree on their property that has been designated as an exceptional tree.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1848, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 2979 Water, Land, and Agriculture on H.B. No. 2716

The purpose of this measure is to appropriate moneys to the Department of Land and Natural Resources to conduct an appraisal of private lands contained within the south Kona wilderness area to be used as a basis for decisions on purchasing the land or conducting a land exchange.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and the Hawaii Chapter of the Sierra Club. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that an appraisal of private lands in the south Kona wilderness area is necessary for the purchase of land or a possible land exchange. Your Committee believes that this measure will appropriate the necessary moneys to accomplish these goals.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2716, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 2980 Water, Land, and Agriculture on H.B. No. 2849

The purpose of this measure is to appropriate moneys to support the establishment of an organic agriculture center and improve food security in Waianae.

Testimony in support of this measure was submitted by the University of Hawaii, Nalo Farms, Primal Cause, Hawai'i Taro Co., Waianae Coast Comprehensive Health Center, and six individuals.

Your Committee finds that the Waianae region of Oahu, as described in the *2002 Food Security Task Force Report*, suffers from the worst food security in Hawaii. The report defines household food insecurity as, "whenever the availability of nutritionally adequate and safe foods or the ability to acquire acceptable foods in socially acceptable ways is limited or uncertain."

Leeward Community College and the Waianae Community Re-Development Corporation (WCRC), a Hawaii nonprofit community development corporation, have a collaborative partnership to develop the Waianae Organic Agriculture Center (WOAC), a facility to promote and support the improvement of the Waianae community's food security through the linking of higher education, applied research, and organic food production in the Waianae region.

The partnership has secured funding from the United States Department of Housing and Urban Development to develop WOAC. However, additional funding is needed to support the initial operational costs.

This measure will appropriate funds to provide fifty per cent of the operational needs of WOAC, and the remaining funds needed for the program are being sought by federal programs and private foundations. Your Committee believes that this investment will make a significant positive impact for the Waianae region.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2849, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 2981 Economic Development on H.B. No. 2569

The purpose of this measure is to prevent the deceptive marketing of shell products with the word "Niihau" on the labeling, description, or identification of these shell products.

Testimony in support of this measure was received from the Office of Hawaiian Affairs.

Your Committee finds that this measure protects the unique cultural heritage of Niihau shells. Niihau shell leis have earned a well-deserved international reputation for expert craftsmanship and high quality. As such, a real Niihau shell lei commands a premium price. This measure is also designed to protect consumers from deceptive merchants who appropriate the name Niihau in order to obtain a premium price without providing a high quality product.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2569, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

SCRep. 2982 Economic Development on H.B. No. 1898

The purpose of this measure is to raise public awareness regarding the importance of developing personal financial management skills in Hawaii's youth by designating April as "Financial Literacy for Youth Month."

Testimony in support of this measure was received from the Department of Education, Hawaii Financial Services Association, Hawaii Credit Union League, Hawaii Council on Economic Education, Hawaii State Federal Credit Union, and Junior Achievement of Hawaii, Inc.

Your Committee finds that this measure seeks to increase financial literacy among Hawaii's young people. Financial literacy includes developing strong financial skills in the management of money, credit, and debt, as well as preparing personal budgets and analyzing the financial markets. In addition, financial literacy is also included in the "Skills for Life and Work" curriculum of the Department of Education where students are expected to prepare budgets, make forecasts, and keep financial records.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1898, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Transportation, Military Affairs, and Government Operations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

SCRep. 2983 Human Services on H.B. No. 2023

The purpose of this measure is to amend the Department of Human Services' hearing process to require that hearings be conducted in a de novo manner where no evidentiary presumptions would apply.

Testimony in support of the measure was submitted by the Legal Aid Society of Hawaii and the Hawaii Disability Rights Center. The Department of Human Services submitted testimony in opposition and the Attorney General submitted comments.

Your Committee finds that the use of the term "de novo" is not technically accurate to describe the nature of these hearings. "De novo" implies a second hearing to review a prior evidentiary proceeding. In the context of these applications for assistance, the prior determination by the Medical Review Board is not a hearing. Thus, the fair hearing which is held pursuant to section 346-12, Hawaii Revised Statutes, is actually the only evidentiary hearing which is conducted in the process and the term "de novo" is not applicable. Additionally, your Committee finds that the law cannot state that no presumptions shall apply at the hearing. Presumptions are intrinsic to the nature of legal proceedings and will always apply where appropriate.

Furthermore, concerns from the Legal Aid Society and the Hawaii Disability Rights Center, which reflected their perception that the hearing officers were giving undue weight and deference to the opinion of the Medical Review Board and were not properly considering the medical evidence, were submitted on behalf of the applicants. While your Committee is not in a position to assess whether this is the case, it wishes to reiterate that all evidence which is properly admitted before the hearing officer is to be considered on its own merits as the hearing officer deems fair and appropriate. The function of the hearing officer is to exercise independent judgement and to arrive at a determination of which item of evidence the officer believes is more persuasive. While the hearing officers may choose, in any given case, to agree with the opinion of the Medical Review Board or to agree with a contrary opinion held by another physician or psychologist, your Committee feels that it is important that each case be decided fairly and independently and that no preconceived additional deference be afforded to the Medical Review Board or a claimant.

Accordingly, your Committee has replaced the language in this bill with a provision that it believes will clarify the Legislature's intent that these matters be decided in a fair, impartial manner. Your Committee understands that it is also the intent of the Department of Human Services to adopt administrative rules that may address the concerns presented to this Committee by the sponsors of this measure. In the event that this clarifying language as well as any administrative rules do not achieve the intent of this legislation, it is a matter which can be revisited during the next legislative session.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2023, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2023, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Inouye, Tsutsui, Trimble).

SCRep. 2984 Health on H.B. No. 2814

The purpose of this measure is to require the Department of Health (DOH) to submit an annual report on initiatives and improvements at the Kalaupapa Settlement to the Legislature.

This measure also requires the DOH to track Kalaupapa Settlement patient and non-patient costs separately, whenever possible.

Testimony in support of this measure was received from the Department of Health, State Auditor, Kalaupapa Patients Advisory Council, and one individual.

Your Committee finds that this measure implements the Auditor's recommendation that the Department of Health submit to the Legislature an annual report on the operation of Kalaupapa and on patients' living conditions. The audit revealed many problems with the administration of Kalaupapa and treatment of its patients. Non-patient costs such as utilities and common area expenses should be accounted for separately from direct patient-related expenses such as discrepancies in household expenses and items used at the Kalaupapa store. Requiring the Department of Health to file an annual report will provide a regular mechanism to enable the Legislature to review ongoing activities at Kalaupapa and recommend changes as needed. Furthermore, a reporting requirement will go a long way toward improving conditions in Kalaupapa.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with the contents of S.B. No. 3114 S.D. 2, which imposes additional requirements of the contents of the report;

- (2) Clarifying that the expenses related to patients be tracked separately from nonpatient costs, whenever appropriate and possible; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2814, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2814, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 2985 (Joint/Majority) Health and Human Services on H.B. No. 2844

The purpose of this measure is to allocate the one-half-cent increase in the tobacco tax that takes effect on July 1, 2004, to prevention and treatment programs and services for crystal methamphetamine.

Testimony in support of this measure was received from Hawaii Youth Services Network, Healthy Mothers, Healthy Babies Coalition of Hawaii, National Association of Social Workers, Coalition for a Tobacco Free Hawaii, Hawaii Substance Abuse Coalition, Maui Youth and Family Services, Community Alliance on Prisons, American Lung Association, and six concerned individuals. Testimony in opposition was received from the Department of Taxation, Department of Budget and Finance, Hawaii Korean-American Growers Association, and the Hawaii Food Industry Association. Comments were received from the Tax Foundation of Hawaii and American Heart Association.

Your Committees find that the crystal methamphetamine, or "ice," epidemic in Hawaii has devastated the lives of many individuals and families, resulting in child and spousal abuse, increased crime, and homelessness. Your Committees also find that earmarking a portion of the tobacco tax is an innovative option that will help fund both crystal methamphetamine prevention and treatment, and tobacco treatment, which your Committee notes is a gateway drug to other, more serious, drugs.

Your Committees have amended this measure by deleting its contents and replacing it with the contents of S.B. No. 3235, S.D. 1, which increases the tobacco tax that goes into effect July 1, 2004, by an addition one-half cent to 7.5 cents, and then allocating one cent for prevention and treatment programs and services for crystal methamphetamine.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2844, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2844, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Trimble). Excused, 4 (Fukunaga, Ige, Tsutsui, Hogue).

SCRep. 2986 (Joint) Commerce Consumer Protection and Housing and Science, Arts, and Technology on H.B. No. 2137

The purpose of this measure is to establish, fund, and provide for the governance of a One Call Center to coordinate the location of subsurface installations and provide notification to subsurface installation operators of proposed excavation work.

Testimony in support of this measure was submitted by Verizon Hawaii, Safety Systems Hawaii, Inc., Building Industry Association-Hawaii, Kokea Construction and Consultants, Inc., Land Use Research Foundation of Hawaii, Hawaiian Electric Company, Inc., CC Engineering and Construction, Inc., Hawaii Operating Engineers Industry Stabilization Fund, The Gas Company, HSI Mechanical Inc., and Schuler Homes. The Consumer Advocate, Public Utilities Commission, and Department of Transportation expressed concerns about the measure. The Honolulu Board of Water Supply, Department of Facility Maintenance (City and County of Honolulu), and Department of Planning and Permitting (City and County of Honolulu) opposed the measure.

This measure creates a One Call Center Board (Board) and requires the Board to establish a One Call Center (Center) by January 1, 2005. The purpose of the Center is to receive notification from excavators of proposed excavation work and to provide notification of the same to the operators of subsurface installations that may be affected by the excavation. The measure establishes requirements for timely notification to and by the Center, marking of excavation sites, identification of subsurface installations by operators, commencement of excavation, re-marking of installations, and excavation procedures. Additionally, the measure establishes penalties for violation of the above requirements.

Your Committees find that the establishment of a One Call Center will facilitate the identification of subsurface installations to avoid or minimize damage to facilities and the environment, minimize the disruption of service to operator customers, and enhance the safety of excavators.

Your Committees have amended this measure by replacing its contents with the language of a substantially similar measure, S.B. No. 2678, S.D. 1, except with respect to that measure's effective date provision. As amended, this measure:

- (1) Exempts from the definition of "excavator" a subsurface installation operator whose employees are performing maintenance work on the operator's subsurface installation;

- (2) Repeals the authorization for the use of moneys in the Public Utilities Commission Special Fund for the operations of the One Call Center;
- (3) Requires an operator with subsurface installations that may be affected by a proposed excavation to provide the excavator with either an approximate location of the installation or the location and field markings of the installation in conformance with the American Public Works Association Uniform Color Code, but not both; and
- (4) Makes technical, nonsubstantive changes to the measure for purposes of clarity and style.

Your Committees further find that this measure continues to raise concerns about an operator's potential liability should damage occur to subsurface facilities during excavation. As your Committees wish to encourage continued dialogue on this and other unresolved issues, your Committees have retained the delayed effective date language contained in this measure, as received.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2137, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2137, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 2987 (Joint) Commerce Consumer Protection and Housing and Science, Arts, and Technology on H.B. No. 2172

The purpose of this measure is to exempt telecommunications carriers from the requirement that public utilities obtain the approval of the Public Utilities Commission (PUC) before issuing securities to finance the acquisition of property or the construction of facilities.

Verizon Hawaii and Time Warner Telecom of Hawaii, L.P., testified in support of this measure. The Consumer Advocate and PUC opposed the measure.

Currently, the law allows a public utility to issue securities to raise long-term financing to acquire property or construct facilities, subject to the PUC's prior review and approval to determine that the proposed acquisition or construction will not have a material adverse effect on the public utility's operations. This review takes into account a utility's capital structure and the effect of the proposed activity upon the carrier's ability to realize a reasonable rate of return on its investment.

This measure exempts telecommunications carriers from the PUC approval requirement, which your Committees find is an expansion of the exemption proposed in the original vehicle for this proposed amendment to section 269-17, Hawaii Revised Statutes. As proposed in H.B. No. 2435 (2004), the exemption applied only to non-facilities based resellers of competitive telecommunications services, and not to other telecommunications carriers. The rationale for this limited exemption was that since non-facilities based carriers do not have facilities that would be affected by the proposed financing, and since the rates of such carriers are affected by market conditions and are therefore, inherently competitive, PUC review was unnecessary and resulted in unnecessary business costs for non-facilities based resellers.

Your Committees further find that concerns have been raised about expanding the exemption to all telecommunications carriers, since this would allow an exemption for the incumbent local exchange carrier that provides non-competitive basic landline services to the State's consumers. The measure's proponents argue, however, that current financial reporting requirements already enable the PUC to monitor a carrier's financial integrity and that elimination of the financial approval requirement will allow facilities-based carriers that are affected by market conditions to respond quickly to market changes that enhance a carrier's financial condition.

Your Committees further find that the issues raised by this measure merit further review and discussion. Accordingly, your Committees have amended this measure by inserting a delayed effective date of July 1, 2030.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2172, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2172, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2988 Commerce Consumer Protection and Housing on H.B. No. 2786

The purpose of this measure is to establish the right to reasonable attorney's fees and costs for a policyholder or beneficiary who prevails in an arbitration proceeding against an insurer to enforce coverage under an insurance policy.

The Department of Commerce and Consumer Affairs and Consumer Lawyers of Hawaii testified in support of this measure. State Farm Insurance Companies opposed the measure.

Your Committee finds that arbitration offers a more efficient and less costly alternative to litigation to resolve liability disputes between policyholders and their insurers, and should, therefore, be encouraged. Your Committee further finds that current law contains a disincentive to dispute resolution through arbitration because it entitles policyholders to an award of attorney's fees and

costs if they succeed in obtaining benefits in a lawsuit, but not if the same rights are held enforceable in arbitration. Further, the Hawaii Supreme Court has interpreted current law to limit such awards to judicial proceedings. This measure corrects this inequity by extending the policyholder's right to an award of attorney's fees and costs to arbitration actions.

Your Committee has amended this measure:

- (1) By deleting the proposed new subsection (b) to section 431:10-242, Hawaii Revised Statutes, and inserting language within the existing section that expands the type of contested proceedings pursuant to which a prevailing policyholder or beneficiary is entitled to an award of reasonable attorney's fees and costs to include arbitration and proceedings before the Insurance Commissioner;
- (2) To provide that it takes effect upon its approval, rather than on July 1, 2345; and
- (3) By making technical amendments for consistency purposes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2786, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2786, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 2989 Science, Arts, and Technology on H.B. No. 1756

The purpose of this measure is to assist Electricore, Inc., a high technology company, in the planning, design, construction, and operation of facilities for the development and production of unmanned vehicle systems, unmanned aerial vehicles, and communication systems.

This measure also authorizes the High Technology Development Corporation to issue up to \$30,000,000 in special purpose revenue bonds for Electricore.

Testimony in support of this measure was received from the High Technology Development Corporation and Aerovironment Hawaii, Inc./Electricore, Inc.

Your Committee finds that this measure would assist an emerging high technology company, based in Hawaii, in the development of cutting edge technologies associated with unmanned systems. These technologies have potential use in defense, homeland security, science, and commercial applications. The emergence and increased use of these technologies will help stimulate much needed economic investment in high technology companies based in Hawaii.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1756, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2990 Science, Arts, and Technology on H.B. No. 1796

The purpose of this measure is to protect individual privacy by including digital recordings and the use of telecommunication devices in making and transmitting these digital recordings part of the offense of violation of privacy.

Testimony in support of the measure was received from the Hawaii State Commission on the Status of Women; the Department of the Prosecuting Attorney for the City and County of Honolulu; the Honolulu Police Department; T-Mobile USA, Inc.; and two individuals.

Your Committee finds that this measure is designed to keep pace with the advancements in telecommunication devices, in particular cellular phones, capable of capturing and transmitting photographic images. This measure is designed to prevent the misuse of these telecommunication devices.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1796, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2991 Science, Arts, and Technology on H.B. No. 2739

The purpose of this measure is to authorize the issuance of special purpose revenue bonds by the High Technology Development Corporation to finance wet lab space and a biotech incubator at Kakaako, near the University of Hawaii, John A. Burns School of Medicine research facility.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism; the High Technology Development Corporation; and the University of Hawaii, John A. Burns School of Medicine. Offering comments on the measure was the Department of Budget and Finance.

Your Committee finds that a shortage of sufficient wet lab space and the lack of a biotech incubator in Hawaii are significant impediments to the growth of a vibrant biotechnology industry in Hawaii. Biotechnology-related research and development generates billions of dollars in revenue annually and creates numerous high paying jobs. Your Committee finds that Hawaii is uniquely positioned to take a leadership role in this field as evidenced by the innovative and ground-breaking biotechnology-related research presently being conducted at both the University of Hawaii and private biotechnology companies based in Hawaii. In order to support these ongoing research efforts, it is necessary to construct additional wet lab space and a biotech incubator.

Your Committee is aware of the concerns raised by the Department of Budget and Finance regarding potential constitutional issues in relation to the High Technology Development Corporation issuing special purpose revenue bonds for the construction of wet lab space and a biotech incubator on behalf of the University of Hawaii. However, testimony submitted by the High Technology Development Corporation stated that it was currently engaged in ongoing negotiations with a number of private developers interested in constructing a biotechnology facility at Kakaako. In light of these negotiations, the High Technology Development Corporation requested that the measure be allowed to pass out of committee without identifying a potential developer until negotiations have been concluded and the developer's identity ascertained. Further, the High Technology Development Corporation stated that it would cooperate with the Department of Budget and Finance to address the Department's concerns.

Your Committee has amended this measure by making technical, non-substantive amendments.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2739, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2739, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 2992 Commerce Consumer Protection and Housing on H.B. No. 2788

The purpose of this measure is to enhance consumer protection in the area of mortgage financing by strengthening the licensing requirements for mortgage brokers and solicitors and the enforcement powers of the Department of Commerce and Consumer Affairs (DCCA).

Verizon and State Farm Insurance Companies testified in support of this measure. The Hawaii Association of Mortgage Brokers, Hawaii Bankers Association, Hawaii Financial Services Association, and American Financial Services Association supported the measure's intent. Comments were submitted by the Regulated Industries Complaints Office and the Professional and Vocational Licensing Division of DCCA, and Primerica Financial Services Home Mortgages, Inc.

Your Committee finds that buying or refinancing a home is one of the most costly and complex consumer transactions and, therefore, it is important that the State ensure that mortgage originators are appropriately licensed and regulated. This measure strengthens the laws governing the regulation of mortgage brokers and solicitors by, among other things:

- (1) Requiring the passage of an examination as a condition of license issuance and the completion of continuing education courses as a condition of license renewal;
- (2) Establishing requirements for advertising;
- (3) Increasing the bonding requirement from \$15,000 to \$50,000 and establishing a right of action for recovery on a bond;
- (4) Requiring a mortgage broker or solicitor to provide a borrower with a written disclosure of the borrower's rights and obligations;
- (5) Authorizing DCCA to fine a licensee and condition the use of a license;
- (6) Establishing door-to-door solicitations and loan steering as grounds for taking disciplinary action against a licensee; and
- (7) Increasing the fine for violation of the licensing laws.

Your Committee finds that there continue to be unresolved issues regarding the licensing of mortgage brokers and solicitors. Accordingly, this measure's delayed effective date of January 1, 2020 has been retained in order to encourage further discussion and dialogue. Additionally, your Committee has amended this measure by:

- (1) Deleting the continuing education requirement for a designated solicitor in charge;

- (2) Including within acceptable continuing education courses for license renewal purposes, courses approved by the Mortgage Bankers Association or the mortgage commissioner;
- (3) Deleting the definition of “designated solicitor in charge”;
- (4) Deleting language in the definitions of “mortgage broker” and “mortgage solicitor” that exclude from the scope thereof regular salaried employees or officers who engage in activities other than that of a mortgage broker or solicitor;
- (5) Deleting language that would establish loan steering as grounds for license revocation;
- (6) Deleting language authorizing the mortgage commissioner to preside over disciplinary proceedings;
- (7) Deleting language authorizing the adoption of rules to require the disclosure of licensees’ investment, commercial, and marketing strategies; and
- (8) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2788, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2788, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 2993 Education on H.B. No. 1856

The purpose of this measure is to appropriate funds for the University of Hawaii student caucus to hold meetings with its member campuses and constituents.

Testimony in support of the measure was submitted by the University of Hawaii, University of Hawaii Student Caucus, and Students First.

Your Committee finds that the University of Hawaii and the State have benefited from the knowledge and perspective of the student caucus. It is an organization chartered by the Board of Regents to represent students on a system-wide level and represents 50,000 students with the University of Hawaii system. This measure would provide the necessary funds to support the continuation of the student caucus’ efforts.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1856, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

SCRep. 2994 (Joint/Majority) Education and Labor on H.B. No. 1924

The purpose of this measure is to require teachers to receive their normal annual increment or longevity increase, as the case may be, for a year’s satisfactory service in any fiscal year that an increase in the appropriate salary schedule is effected, except as provided by law.

Your Committees received testimony in support of the measure from the Department of Education and Hawaii State Teachers Association. Your Committees received testimony in opposition to the measure from the Department of Budget and Finance.

Your Committees find that annual incremental step movements are critical to keeping Hawaii’s teacher salaries competitive, making it a necessary tool for recruitment and retention. This is all the more important of late, in light of the teacher shortage.

Your Committees have amended the measure by changing the effective date from July 1, 2010 to July 1, 2005.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1924, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1924, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Slom). Excused, 4 (Ihara, Taniguchi, Tsutsui, Hogue).

SCRep. 2995 (Joint) Economic Development and Science, Arts, and Technology on H.B. No. 2191

The purpose of this measure is to remove provisions that restrict telecommunication service providers from being designated a qualified business in an enterprise zone.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism; the Department of Hawaiian Home Lands; Sandwich Isles Communications Inc.; Hawaii Reserves, Inc.; Nanakuli Housing Corporation; and Hawaiian Homestead Technology, Inc. The Department of Taxation offered comments on the measure.

Your Committees find that this measure enables a telecommunication service provider to be designated as a qualified business for enterprise zone purposes provided that these providers are engaged in telecommunication-related business within an enterprise zone and also deliver a majority of telecommunication-related services in that same enterprise zone or in another enterprise zone. Moreover, this measure also designates services provided by broad band distributed switching networks as an eligible business for enterprise zone purposes. This measure will not only increase access to critical telecommunication services for communities residing in these enterprise zones, such as Native Hawaiian homesteaders, but also stimulate much-needed economic growth and activity in these communities.

Your Committees have amended this measure by:

- (1) Adding a new definition of “broad band distributed switching network;”
- (2) Adding a new subsection relating to “broad band distributed switching network” that will allow statewide telecommunication networks that provide electronic access in areas outside the enterprise zone, in which the main network-operating center is located, to be eligible for enterprise zone benefits; and
- (3) Changing the effective date to July 1, 2004.

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2191, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2191, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 4 (English, Ihara, Kanno, Kawamoto).

SCRep. 2996 (Joint) Education, Labor and Judiciary and Hawaiian Affairs on H.B. No. 2667

The purpose of this measure is to establish a Hawaiian language medium education program.

Your Committees received testimony in support of the measure from the Office of Hawaiian Affairs, Department of Education, and an individual who is both chair of academic programs of Ka Haka Ula O Keelikolani College of Hawaiian language at University of Hawaii at Hilo and a board member of Aha Punana Leo. Your Committees received testimony in opposition to the measure from the Hawaii Government Employees Association.

Your Committees find that the language and culture of the host culture of the State of Hawaii should be respected and cultivated at every opportunity. Your Committees further find that the unique constitutional status of the Hawaiian language as one of the two official languages of the State of Hawaii is another powerfully compelling reason to support Hawaiian language medium education. Establishing a formal state program in this area will allow for formalized partnerships and collaboration, which will foster a more seamless form of education as students progress from preschool through college in the Hawaiian language.

Your Committees have amended the measure by:

- (1) Replacing a sentence reading “Institutions of higher education that have teacher preparation programs may work collaboratively with the department to ensure that teachers in the Hawaiian language medium education program are proficient in the Hawaiian language, skilled in teaching methodologies and strategies, and possess content knowledge” with a sentence reading “Publicly funded institutions of higher education may create teacher preparation programs to ensure that pre-service training is provided to students interested in teaching elementary and secondary students in the Hawaiian language”;
- (2) Allowing the Department of Education to establish the program, instead of requiring them to do so;
- (3) Replacing a sentence reading “Teachers, staff, and administrators in Hawaiian language medium education whose responsibilities require additional language skills or are greater, specialized, or unique may be provided additional benefits greater than the benefits provided by their respective collective bargaining agreements” with a sentence reading “Teachers in Hawaiian language medium education whose responsibilities are greater or unique and require additional language skills may be provided additional benefits by the department”;
- (4) Deleting charter schools and laboratory schools from the provision regarding additional benefits for program teachers;
- (5) Deleting special skills and special training as a qualification for additional benefits for program teachers;
- (6) Deleting references to collective bargaining rights for program teachers and the encouragement of the use of community resources in the program; and
- (7) Deleting a provision allowing for Hawaiian language medium charter schools and Hawaiian language medium laboratory schools to be included within the program for the purposes of securing geographic exemptions.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2667, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2667, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 4 (Fukunaga, Menor, Taniguchi, Tsutsui).

SCRep. 2997 (Joint) Economic Development, Water, Land, and Agriculture and Science, Arts, and Technology on H.B. No. 2840

The purpose of this measure is to find alternative ways to diversify Hawaii's economy by appropriating funds to the Hawaii Community Development Authority to further study the feasibility of developing a technical park at Kalaeloa, Oahu.

Testimony in support of the measure was received from the Hawaii Community Development Authority and one individual.

Your Committees find that the Hawaii Community Development Authority is eligible for a significant amount of grant money from the United States Department of Commerce, Economic Development Administration, to research and produce an economic master plan for Kalaeloa. The availability of this grant money is contingent upon the State providing a certain portion of matching funds. This federal grant represents an unparalleled opportunity for the State to create a comprehensive master plan for Kalaeloa that maximizes the economic potential of this area.

Your Committees have amended this measure to demonstrate the State's commitment in securing this federal grant money for the purpose of developing a comprehensive economic master plan for Kalaeloa. The appropriation amount is left blank to promote further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development and Water, Land, and Agriculture and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2840, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2840, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 6 (English, Ihara, Kanno, Kawamoto, Hemmings, Whalen).

SCRep. 2998 Economic Development on H.B. No. 1743

The purpose of this measure is to protect ocean resources from artificial light pollution by prohibiting structures within special management areas from positioning artificial light towards or directly illuminating the ocean water unless authorized or required for public safety or safe ocean navigation.

Testimony in support of this measure was received from the United States Fish and Wildlife Service; the Sierra Club, Hawaii Chapter; the Hawaii Audubon Society; the Portlock Community Association; Brian's Fishing Supply; Kahea, the Hawaiian-Environmental Alliance; and thirteen individuals. Testimony in opposition to the measure was received from the Hawaii Hotel and Lodging Association and the Land Use Research Foundation of Hawaii.

Your Committee finds that this measure is designed to preserve and protect marine life from the negative impacts attributed to high intensity artificial light beaming directly on the ocean water from structures located within special management areas. High intensity artificial light directed onto the surface of the ocean radically alters the mating and feeding habits of migrating sea birds, sea turtles, and many species of fish. Fishermen also testified that artificial light directed onto the ocean alters the nocturnal habits of fish, making it increasingly difficult to locate and catch fish for a livelihood. Your Committee notes the concerns expressed by the Hawaii Hotel and Lodging Association that the measure is potentially too broad. This measure, however, is limited to prohibiting artificial light that is positioned toward or directly illuminating the ocean.

Your Committee has amended the measure by removing the definition of light pollution and by deleting references to the shoreline and near shore areas to narrow the scope of the bill to make it applicable only to artificial light positioned toward or directed onto the ocean.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1743, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1743, H.D. 2, S.D. 1, and be referred to the Committee on Water, Land, and Agriculture.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

SCRep. 2999 Economic Development on H.B. No. 2223

The purpose of this measure is to update Hawaii's boxing laws by conforming chapter 440, Hawaii Revised Statutes, which regulates professional and amateur boxing contests in Hawaii, to the federal Professional Boxing Safety Act of 1996.

Testimony in support of the measure was received from the State Boxing Commission.

Your Committee finds that this measure, by updating and conforming Hawaii's boxing laws to federal standards, increases safety precautions in order to protect the health and welfare of professional boxers, as well as expands the oversight and regulatory authority of the State Boxing Commission over the boxing industry in Hawaii.

Your Committee has amended this measure by making a technical, nonsubstantive amendment to add a word deleted in error in the original draft of the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2223, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

SCRep. 3000 (Joint) Economic Development and Commerce Consumer Protection and Housing on H.B. No. 2961

The purpose of this measure is to change the ethanol tax credit to a production tax credit that provides an economic incentive based upon the production capacity of a qualifying ethanol production facility.

Testimony in support of the measure was received from the Department of Taxation; Maui Ethanol, LLC; Clean Fuels Hawaii; Oahu Ethanol Corporation; and ILWU, Local 142. The Department of Business, Economic Development, and Tourism offered comments on the measure.

Your Committees find that this measure is designed to reduce Hawaii's dependence on imported fossil fuels by creating an economic incentive for the production of ethanol, a renewable energy source. This measure is also an important component of the State's overarching policy of promoting energy efficiency and sustainability and thus the effective date remains defective in order to promote continuing discussion on the matter.

Your Committees have amended this measure by:

- (1) Deleting the definition of "qualifying ethanol production" and incorporating it into the definition of a "qualifying ethanol production facility" for purposes of clarity;
- (2) Amending the eligibility requirement for this ethanol tax credit to \$0.30 cents per gallon of nameplate capacity of an ethanol production facility that is between five hundred thousand, but not over fifteen million gallons; and
- (3) Making technical, non-substantive amendments to the measure.

Your Committees wish to emphasize that the effective date of July 1, 2010 is intended to continue the discussion on this measure, and is not a reflection of the Committees' intent regarding an actual implementation date.

As affirmed by the records of votes of the members of your Committees on Economic Development and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2961, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2961, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Aduja, Ihara, Kanno, Kim).

SCRep. 3001 Transportation, Military Affairs, and Government Operations on H.B. No. 1590

The purpose of this measure is to require the Office of Veterans Services, at the request of a deceased World War II Filipino American veteran's survivor, or an interested person, to pay directly to a licensed mortuary or crematory the costs of funeral and burial services and the cost of transporting the remains to the Philippines.

Testimony in support of this measure was received from the Office of Veterans Services, WW II Fil-Am Veterans, and four individuals.

Your Committee finds that a World War II Filipino American veteran who is at time of death a U.S. citizen, a resident of Hawaii, and who served honorably, should be entitled to funeral and burial services paid by the State. These Filipinos are the long neglected "heroes" of the war. They put themselves in harm's way to fight for America when many were not even U.S. citizens. This measure represents a posthumous tribute to them.

Your Committee has amended this measure to provide an appropriation ceiling of \$3,000 for each deceased veteran.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1590, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1590, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 3002 Transportation, Military Affairs, and Government Operations on H.B. No. 1765

The purpose of this measure is to require the expiration of the term of a state board member for the failure, without valid excuse, to attend two consecutive meetings duly noticed by the board where failure to attend results in a non quorum of the board.

Testimony in support of this measure was received from the Department of Human Resources Development. Testimony in opposition was received from one individual.

Your Committee finds that the obligation to attend board meetings is a serious matter that should not be taken lightly by board members, who were appointed and confirmed based in major part upon their willingness to serve and dedication to public service. If the absences were without valid excuse and there was no quorum as a result, the matter becomes all the more serious.

Your Committee has amended this measure by providing for three unexcused absences, as determined in the discretion of the chair. Testimony indicated that two absences would give the chair undue power to determine what is an excusable absence.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1765, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1765, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 3003 (Joint) Transportation, Military Affairs, and Government Operations and Education on H.B. No. 1908

The purpose of this measure is to set aside one dollar in federal impact aid for the establishment of a military liaison position within the Department of Education and to provide funding for the Joint Venture Education Forum.

Your Committees received testimony in support of the measure from the Department of Education, four Department of Education school principals, Hawaii State Teachers Association, and Hawaii Business Roundtable.

A significant proportion of public school children in Hawaii are military dependents. Your Committees find that this position will strengthen and promote the growing partnership between the Hawaii military community and our public schools.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1908, H.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Baker, Kanno, Kawamoto, Tsutsui).

SCRep. 3004 Transportation, Military Affairs, and Government Operations on H.B. No. 1987

The purpose of this measure is to increase the fines for violation of the motor vehicle sun screening devices law.

Testimony in support of this measure was received from the Honolulu Police Department, Hawaii Business League, and T & T Tinting Specialists. Comments were received from the Department of Transportation.

Your Committee has amended this measure by deleting its contents and inserting S.B. No. 2087, S.D. 1, on the same subject. Current law does not specify whether it is the owner or the installer who is fined for a violation. This measure, as amended, fines the owner between \$250 and \$500 and the installer between \$500 and \$1,000 for each separate offense. The installer is also required to reinstall a sun protective device which complies with the law free of charge, or to reimburse the owner for the cost of reinstallation.

Your Committee finds that the current penalty of a fine between \$50 and \$250 is too low to be of deterrence. This measure, as amended, increases the fines and also fines the installer. Testimony has indicated that there are numerous installers who knowingly contravene the legal limits of tinting in flagrant and intentional violation of the law.

This measure, as amended, also makes a business entity as the installer subject to the penalty; provides that a receipt from the installer is prima facie evidence of the identity of the installer; and requires installers to issue to the vehicle owner a certificate of compliance with the law.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1987, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1987, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3005 (Joint) Transportation, Military Affairs, and Government Operations and Commerce Consumer Protection and Housing on H.B. No. 2181

The purpose of this measure is to allow the Housing and Community Development Corporation of Hawaii (HCDCH) to issue bonds in connection with any program to provide housing for active or retired U.S. military personnel, their families, and others authorized by the military to reside in such housing.

The aggregate principal of the bonds is capped at \$2,000,000,000.

Testimony in support of this measure was received from the HCDCH.

Your Committees find that this measure supports and aids Hawaii's commitment to assist with providing military housing, with its concomitant increased construction moneys, which is in the planning for all branches of the military in the coming years. Your Committees further find that the total cost of construction is estimated to be at \$3.6 billion, making the cap of \$2 billion as contained in this measure eminently reasonable.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2181, H.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Ige, Kanno, Sakamoto).

SCRep. 3006 (Joint) Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs on H.B. No. 2250

The purpose of this measure is to clarify the law on sentencing for the offense of habitually operating a vehicle under the influence of an intoxicant (section 291E-61.5, Hawaii Revised Statutes).

This measure would:

- (1) Require the offender to be referred to a driver's education program for an assessment of substance abuse or dependency;
- (2) Require the court to refer the offender to obtain appropriate treatment, depending on the recommendation of the counselor pursuant to the assessment;
- (3) Prohibit reinstatement of a license revoked under this law until the expiration of the revocation period set by the court; and
- (4) Allow the court to order a person sentenced under section 291E-61.5, HRS, to reimburse the county for the costs of blood or urine tests.

Testimony in support of this measure was received from the Judiciary, Department of Transportation, Honolulu Prosecuting Attorney, Honolulu Police Department, and Mothers Against Drunk Driving Hawaii.

This measure makes the penalties under section 291E-61.5, HRS, consistent with that of the offense of operating a vehicle while under the influence of an intoxicant under section 291E-61, HRS. It is the intent of this measure to provide help to the offender to avoid another driving incident and possible catastrophic motor vehicle accident because the offender did not get counseling to address the problem.

Your Committees have amended this measure to change the effective date to September 1, 2004, with concurrence of the Judiciary, to allow the Judiciary to have lead time to make internal administrative adjustments to accommodate this Act.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2250, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2250, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Baker, Ihara, Kanno, Menor).

SCRep. 3007 (Joint) Transportation, Military Affairs, and Government Operations and Tourism on H.B. No. 2291

The purpose of this measure is to provide further rent relief to airport concessionaires.

Your Committee deleted the contents of this measure and inserted provisions for an S.D. 1, which was made available to the public ahead of time.

The purpose of the amended measure is to allocate up to \$9 million annually for the police department in any county with a population in excess of 500,000 to establish and operate a highway patrol division.

Testimony in support of the amended measure was received from the Department of Transportation and Honolulu Police Department.

The intent of this measure is to enhance traffic enforcement by having a dedicated traffic unit within the police department in the form of a highway patrol, such as mainland jurisdictions have. Although county police departments have road patrol units, the highway patrol would take this to the next level.

Your Committees have amended this measure by:

- (1) Requiring that 100 percent of the appropriated funds be used for the highway patrol; and
- (2) Providing that bike officers work exclusively for the highway patrol division except in case of emergencies.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2291, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2291, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Baker, Kanno, Sakamoto, Taniguchi, Whalen).

SCRep. 3008 (Joint) Transportation, Military Affairs, and Government Operations and Economic Development on H.B. No. 2321

The purpose of this measure is to appropriate funds to the Department of Transportation (DOT) to establish and implement a permanent intra-island water ferry transportation system through collaborative efforts involving the DOT, counties, federal government, and other interested parties in the public and private sectors.

Testimony in support of this measure was received from the Honolulu Department of Transportation Services, Leeward Oahu Transportation Management Association, and Land Use Research Foundation of Hawaii. Testimony in opposition was received from the Department of Transportation.

The DOT testified that it is willing to take the lead to plan an intra-island water ferry transportation system for Oahu. The tentative plan is to someday have a ferry system between Barbers Point and Aloha Tower. Such a plan is more feasible with the upcoming redevelopment of Barbers Point. While the ferries would be privately operated, the harbors would be owned by the DOT. Therefore, the DOT has a significant stake in this matter, notwithstanding its testimony that the ferry system should be under the jurisdiction of the counties. Your Committees appreciate the DOT's assistance to bring all stakeholders to the table to talk about and plan the ferry system.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2321, H.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (Baker, Ige, Ihara, Kanno, Whalen).

SCRep. 3009 (Joint/Majority) Transportation, Military Affairs, and Government Operations and Economic Development on H.B. No. 2662

The purpose of this measure is to establish the military community infrastructure development revolving loan fund, to provide assistance to persons in military communities to develop infrastructure to minimize the possibility of, or to mitigate the adverse effects of, the closure or reduction in capacity of a military installation on the military community.

Testimony in support of this measure was received from the Department of Business, Economic Development and Tourism and one individual.

Your Committee finds that this measure represents the State's efforts to assist businesses in the military community that are negatively affected by troop deployments.

The loans under this law would go to persons in a military community before the military installation is closed. Moneys to be deposited into the fund come from legislative appropriations, gifts and grants, and repayment of principal and interest on loans.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2662, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Trimble). Excused, 5 (Baker, Ige, Ihara, Kanno, Whalen).

SCRep. 3010 (Joint) Transportation, Military Affairs, and Government Operations and Commerce Consumer Protection and Housing on H.B. No. 2883

The purpose of this measure is to enact a new law to provide for enhanced 911 services for mobile phones.

Testimony in support of this measure was received from the Department of Accounting and General Services (DAGS), Honolulu Police Department, Verizon Hawaii, Verizon Wireless, AT&T Wireless, T-Mobile USA, Inc., and American Heart Association. Testimony in opposition was received from the Department of Health (to the placing of the law under its administration). Comments were received from the Office of Information Practices.

This measure requires providers and resellers of commercial mobile radio services (wireless telephone communications) to bill and collect from their customers a monthly surcharge at the rate established under this measure. The moneys collected are deposited into a wireless enhanced 911 fund to be used for ensuring adequate cost recovery for the deployment of wireless enhanced 911 service in Hawaii.

This measure is intended to increase wireless 911 services. Your Committees find that statewide enhanced 911 has proven to be a lifesaving service and that routing a 911 call to the appropriate public safety answering point with a display of the caller's identification and location should be available for all users of telecommunications services, regardless of the technology used to make and transmit the 911 call. Your Committees further find that it is in the best public interest to ensure that there is adequate ongoing funding to support enhanced 911 service.

Testimony on this measure indicates that cellular phones have become an essential safety tool for many people, who purchase wireless service to have the benefit of calling 911 when they are away from home. There are many new technologies now available that allow 911 operators to determine the approximate location of a 911 caller from a cellular phone. This critical service, available in other parts of the United States, is not yet available in Hawaii. It is the intent of your Committees that this measure will enable the provision in Hawaii of such advanced technologies.

Your Committees have amended this measure by replacing it with the provisions of S.B. No. 3189, S.D. 1. The measure still provides for enhanced wireless 911 services, with the following changes:

- (1) Providing that, for the wireless enhanced 911 board, if two board members have a parent company in common, then the two are entitled to only one vote together;
- (2) Specifying that DAGS administer the board;
- (3) Allowing DAGS to receive an administrative fee of five per cent of the deposits into the fund;
- (4) Making the amount of the surcharge blank;
- (5) Exempting land line companies from the audit provision;
- (6) Providing for an unspecified allocations from the fund;
- (7) Providing for an unspecified rate of surcharge for each commercial mobile radio service connection;
- (8) Making the measure effective January 1, 2020; and
- (9) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2883, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2883, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Ige, Kanno, Sakamoto, Whalen).

SCRep. 3011 Commerce Consumer Protection and Housing on H.B. No. 1727

The purpose of this measure is to provide immunity from civil liability for persons providing information on insurance fraud.

The Department of Commerce and Consumer Affairs, State Farm Insurance Companies, and Hawaii Insurers Council testified in support of this measure. The American Council of Life Insurers submitted comments.

This measure provides that a person, acting without malice and without committing perjury, is not subject to civil liability for providing information on insurance fraud to the courts, the insurance commissioner, the insurance fraud investigations unit, the National Association of Insurance Commissioners, the National Insurance Crime Bureau, law enforcement or regulatory agencies, or another insurer. Your Committee finds that this measure will facilitate the reporting, investigation, and prosecution of insurance fraud.

In order to facilitate further review of this measure, your Committee has inserted a delayed effective date of July 1, 2030.

Additionally, your Committee has amended this measure:

- (1) To require that a higher degree of malice, or “actual malice”, be involved in the provision of insurance fraud information before the person providing the information loses the protection of the immunity provision; and
- (2) To establish the authority of the insurance fraud investigations unit established in section 431:10C-307.8, Hawaii Revised Statutes, to investigate and prosecute health insurance fraud.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1727, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1727, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 3012 (Majority) Labor on H.B. No. 1769

The purpose of this measure is to prohibit a broadcast employer from including in any employment contract any provision that restricts access to prospective employment within the broadcast industry.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, the Hawaii State Association of Electrical Workers, the Screen Actors Guild, Hawaii Branch, the International Alliance of Theatrical & Stage Employees, Mixed Local 665, the American Federation of Musicians, Hawaii Local 677, and two private citizens.

Testimony in opposition of this measure was submitted by Hearst-Argyle Television, Inc., Raycom Communications, Inc., Emmis Communications, Inc., Cox Radio, New West Broadcast Corporation, and Clear Channel Radio Hawaii.

Your Committee finds that unlike the large markets on the mainland, the broadcast industry in Hawaii is relatively small and offers few opportunities for employment, particularly for entry-level broadcast employees. As a result, your Committee further finds that many individuals entering into negotiations for employment contracts with broadcast employers lack sufficient bargaining power to exclude noncompete restriction provisions from their contracts.

Your Committee determines that these individuals warrant some form of protection which would allow them to market themselves freely and seek employment elsewhere without the burden of excessive restrictions. However, your Committee further determines that the interests of broadcast employers, who have invested time, money, and other resources on these same individuals, must also be protected from equally burdensome restrictions on their ability to vigorously negotiate terms and conditions of employment. Therefore, your Committee has amended this measure to reflect a balance of the interests of the affected parties, but also recognizes that the matter must be further examined so as to reach the most equitable solution.

Accordingly, your Committee has amended this measure by:

- (1) Changing the definition of “broadcast employee” by:
 - (a) Including within the definition non-management off-air employees; and
 - (b) Clarifying that the definition only includes employees whose annual income does not exceed \$75,000;
- (2) Providing for the inclusion of right of first refusal provisions within employment contracts;
- (3) Making the exception that noncompete restriction may be included within an employment contract, but only when applicable to an employee who quits during the term of the contract; and
- (4) Changing the effective date to July 1, 2050, in order to facilitate further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1769, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1769, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

SCRep. 3013 Labor on H.B. No. 1774

The purpose of this measure is to allow eligible claimants to receive their weekly unemployment insurance benefit amount, unreduced for earnings received from employment.

This measure also authorizes the use of Reed Act funds to offset anticipated increases in unemployment insurance claims.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO and the ILWU Local 142.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations and the Chamber of Commerce of Hawaii.

Your Committee finds that under the current law, individuals who are eligible for unemployment benefits receive a weekly benefit that is reduced by the amount of their weekly earnings in excess of fifty dollars. In Hawaii, many individuals must hold multiple jobs in order to support themselves and their families. However, if these individuals become eligible for unemployment benefits, due to a loss of one of those jobs, but continue to have earnings from other part-time employment, they are penalized for their employment by receiving a reduced weekly benefit.

Additionally, your Committee finds that the law can act to deter individuals who are eligible for unemployment benefits from seeking gainful employment, either on a part-time basis or at a pay rate that equals a weekly amount that is less than the amount of their weekly benefit. Therefore, your Committee determines that these eligible individuals should be allowed to maximize their employment opportunities and be encouraged to resume work to the fullest extent possible by allowing them to receive their weekly benefit amounts irrespective of any wages earned.

Accordingly, your Committee has amended this measure by changing the effective date of the Act from July 1, 2010 to July 1, 2004.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1774, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1774, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 3014 (Joint) Labor and Education on H.B. No. 1780

The purpose of this measure is to limit the amount of paid leave for an employee to attend a mutually-scheduled parent-teacher conference to two hours per conference.

This measure also clarifies that an employee may attend a mutually-scheduled parent-teacher conference for any child from kindergarten to twelfth grade, irrespective of that child's age.

Testimony in support of this measure was submitted by the Department of Education, the Department of Human Resources Development, the Department of Human Resources for the City and County of Honolulu, and the Hawaii State Teachers Association.

Your Committees find that in order to promote parental involvement in the lives of their children, the Legislature, in 2003, enacted legislation that required public employees to be eligible for paid leave to attend parent-teacher or parent-caregiver conferences. Your Committees further find that this paid leave provides parents with the opportunity to more actively participate in their children's lives while fostering family and child development. However, your Committees determine that further clarification is necessary to ensure that the utilization of paid leave under this section is not abused, and to provide paid leave that applies to parent-teacher conferences for all students, from kindergarten through twelfth grade, regardless of their age, in addition to parent-caregiver conferences for preschool-aged children.

Accordingly, your Committees have amended this measure by changing the effective date of the Act from July 1, 2010, to be effective upon its approval.

As affirmed by the records of votes of the members of your Committees on Labor and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1780, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1780, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Ihara, Taniguchi, Tsutsui, Hogue).

SCRep. 3015 (Majority) Labor on H.B. No. 1792

The purpose of this measure is to conform statutory provisions to Public Law 107-147, the Temporary Extended Unemployment Compensation Act of 2002, by eliminating the time limitations and restrictions on the use of Reed Act funds received in 2002.

This measure also appropriates funds for unemployment compensation and to supplant general fund appropriations for general administration.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations.

Your Committee finds that Public Law 107-147, 116 Stat. 21, the Temporary Extended Compensation Act of 2002 (TEUC), provided for the expanded utilization of Reed Act funds for the payment of unemployment benefits or for the administration of state unemployment compensation law and public employment offices. Therefore, in addition to administrative funds provided to finance delivery of up to twenty-six weeks of temporary extended benefits under the TEUC, a state is also authorized to use transferred Reed Act funds for the administration of unemployment compensation law and public employment offices when the purposes and amounts are specified in the state law making the appropriation; the expenses are incurred after the date of enactment of the appropriation; the appropriation limits the obligations to the amounts available; and the money is accounted for. Your Committee determines that

changes in the current statutory scheme are, therefore, necessary to allow for the use of Reed Act funds to the fullest extent provided under federal law, and that the appropriation of such funds will thereafter be proper.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, the measure should continue to advance in the Legislature as a vehicle for utilizing federal funds for administrative purposes, as provided by law. Accordingly, your Committee has amended this measure by changing the effective date of the Act to July 1, 2050 to allow for the determination of proper appropriation amounts and for purposes of facilitating further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1792, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1792, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

SCRep. 3016 Health on H.B. No. 2092

The purpose of this measure is to amend the licensure requirements for physicians and surgeons educated and trained outside of the U.S. by allowing medical licensure of persons:

- (1) Who have completed at least one year of residency in an accredited program in Canada; or
- (2) Who have completed at least two years of residency in an accredited program in Canada, if the person is a foreign medical school graduate.

This measure further clarifies that the scores on the various examinations must be deemed satisfactory to the Board of Medical Examiners.

Testimony in support of this measure was received from the Board of Medical Examiners, Hawaii Medical Association, Hawaii Medical Service Association, Hawaii Pacific Health, Chamber of Commerce of Hawaii, and four individuals. Testimony in opposition was received from Hawaii Coalition for Health, Hawaii Independent Physicians Association, and fifty medical doctors.

Your Committee finds that most medical educators in the United States recognize accreditation from the Royal College of Physicians and Surgeons of Canada as equivalent to a residency accredited by the U.S. Accreditation Council for Graduate Medical Education.

Your Committee recognizes that acknowledging Canadian medical training will not diminish the standards for physicians intending to practice medicine in Hawaii, but rather will increase the pool of qualified physicians that are able to practice medicine in Hawaii.

Your Committee has amended this measure by:

- (1) Incorporating language submitted by the Attorney General; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2092, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2092, H.D. 2, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 3017 Labor on H.B. No. 2215

The purpose of this measure is to allow an employee who receives a special retirement incentive benefit to be reemployed by the State without forfeiture of benefits on a contract-for-service basis for a period not to exceed one year.

Testimony in support of this measure was submitted by the Department of Education and the Department of Human Resources Development.

Your Committee finds that Part V of Act 253, Session Laws of Hawaii 2000, allowed certain employees to qualify for a special retirement incentive benefit, which, if such benefit was received, precluded such employees from being reemployed by the State unless they forfeited all benefits derived from the special retirement incentive benefit prior to commencement of reemployment. Your Committee further finds that several departments and agencies within the State are experiencing a shortage of qualified personnel, due in part to the exodus of its current workforce. Your Committee determines that retirees possess invaluable knowledge, skills, and experience that should be utilized when possible. Therefore, your Committee finds that it is necessary and proper to allow these retired individuals to return to service on a contract basis, with certain limitations, in order to address current staffing issues and to provide for efficient and effective government operation.

Accordingly, your Committee has amended this measure by changing the effective date of the Act to July 1, 2050, to facilitate further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2215, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2215, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 3018 (Joint) Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on H.B. No. 2703

The purpose of this measure is to authorize the counties to assess impact fees to help pay for state highway improvements that serve new or more intensive development, and to create a new special fund to hold impact fee revenues.

Testimony in support of this measure was received from the Department of Transportation, Honolulu Department of Transportation Services, Honolulu Department of Planning and Permitting, Hawaii Community Development Authority, Leeward Oahu Transportation Management Association, Land Use Research Foundation of Hawaii, and Aina Nui Corporation.

Your Committees find that new development of land has a tremendous impact on existing roadways. New development leads to more motor vehicles using our roadways, necessitating increased repair and maintenance as well as traffic mitigation measures.

Your Committees support the institution of impact fees on developers to help defray the cost of highway improvements brought on by development. Impact fees are more predictable and equitable than case-by-case permit exactions, and more acceptable to the public than solely using public funds. Also, unless they are used for the exact purpose for which they were collected, impact fees must be returned to the developer.

Therefore, your Committees support this measure as an appropriate balance between the right of private entities to develop their land, and the resultant need of the State to maintain and improve our roadways.

Your Committees have amended this measure by replacing its contents with S.B. No. 1404, S.D. 1, a similar measure that makes the following changes:

- (1) Deletes reference to counties with a population in excess of five hundred thousand;
- (2) Deletes reference to authorizing the county to expend funds in the county and for the state highway improvements for which the fees were collected;
- (3) Deletes sections 3, 4, 6, 7, 8, 9, and 10;
- (4) Deletes "department" when it appears with "council or board"; and
- (5) Makes technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2703, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2703, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Baker, English, Kanno, Whalen).

SCRep. 3019 (Joint) Health and Commerce Consumer Protection and Housing on H.B. No. 1839

The purpose of this measure is to enact a pain patient's bill of rights to authorize doctors to prescribe medically necessary doses of a controlled substance to treat intractable pain.

Specifically, this measure:

- (1) Empowers a patient suffering from chronic intractable pain with options; and
- (2) Allows the patient's physician to refuse to prescribe opiate medication, but requires the patient's physician to inform the patient of other doctors who use opiates to treat chronic intractable pain.

Testimony in support of this measure was received from Healthcare Association of Hawaii, Hawaii Medical Association, Hospice Hawaii, Policy Advisory Board for Elderly Affairs, Hawaii Family Forum, and the Roman Catholic Church in the State of Hawaii. Testimony in opposition was received from Compassion in Dying of Hawaii.

Your Committees find that protecting physicians in their role to relieve a patient's pain is an important step towards significant progress in treatments relative to end-of-life care, especially for cancer patients. Furthermore, this measure improves Hawaii's pain policies by giving patients suffering from intractable pain the right to receive appropriate medication to relieve the pain.

Your Committees have amended this measure by:

- (1) Adding language from S.B. No. 2670, S.D. 2, which authorizes the Board of Medical Examiners to establish pain management guidelines for physicians and osteopathic physicians; and
- (2) Changing the effective date to July 1, 2004.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1839, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1839, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Ige, Kim, Kokubun, Hogue, Whalen).

SCRep. 3020 Education on H.B. No. 1710

The purpose of this measure is to establish the student scholarship and assistance special fund (special fund) for the University of Hawaii to provide scholarships, and to make an appropriation of \$20,000,000 from the special fund.

The University of Hawaii (university) submitted testimony in support of the measure.

Your Committee finds that the university does not have a consistent fund for scholarship initiatives established by the Legislature, such as specific appropriations for workforce development, key shortage areas, and financial assistance funded with university, federal, or private funds. This measure will create a special fund to help the university facilitate the various sources of scholarship funds and provide a comprehensive reporting of financial support for students.

Your Committee has amended this measure by deleting its contents and inserting S.B. No. 2999, S.D. 1, that also establishes a student scholarship and assistance special fund, which would:

- (1) Be used to provide financial assistance to qualified students enrolled at any campus of the university;
- (2) Take in revenues from state, federal, institutional and private funds, among others;
- (3) Allow the university to transfer institutional from the tuition and fees special fund into the new special fund;
- (4) Allow the Board of Regents to grant, modify, or suspend scholarship and assistance funds;
- (5) Require the university to report annually to the Legislature on incoming revenues and expenditures of the special fund; and
- (6) Become effective on July 1, 2004.

The amended measure also repeals the required elements of the report of the Board of Regents to the Legislature on tuition waivers.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1710, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1710, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

SCRep. 3021 Education on H.B. No. 1747

The purpose of this measure is to grant the University of Hawaii Board of Regents (Board) increased flexibility and control to finance and manage university projects, including construction, improvement, and maintenance.

Your Committee received testimony in support of the measure from the University of Hawaii and Department of Budget and Finance.

Your Committee finds that Act 115, Session Laws of Hawaii 1998, provided the University of Hawaii with substantial flexibility in managing its resources. This measure would allow greater self-governance on the part of the University by expanding the Board's authority to borrow funds as part of the University of Hawaii's financing plan.

This measure also authorizes the Board to issue \$25,000,000 in revenue bonds, a substantial sum. If defaulted upon, the State of Hawaii would ultimately be liable, which could have a negative impact on the State's credit rating and potentially increase the cost of borrowing for statewide capital improvement projects.

Your Committee has amended the measure by:

- (1) Inserting authority for the Governor to have thirty days to reject revenue bond issuances; and
- (2) Requiring the University of Hawaii to work collaboratively with the Department of Budget and Finance on technical language related to the \$25,000,000 revenue bond issuance.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1747, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1747, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

SCRep. 3022 Education on H.B. No. 1893

The purpose of this measure is to create the GEAR UP Hawaii Scholarship trust fund as a requirement of the State's participation in the federal Gaining Early Awareness and Readiness for Undergraduate Programs.

Testimony in support of the measure was submitted by the University of Hawaii (university) and the Hawaii State Teachers Association.

In 2000, the university received a \$10.2 million grant from the U.S. Department of Education's GEAR UP Program. The purpose of GEAR UP nationwide is to increase the number of low-income students who are prepared to enter and succeed in post-secondary education. Your Committee finds that in accepting this money, the university must comply with certain federal stipulations. This measure will ensure that the scholarship funds will go to participants of the GEAR UP Program which is one of the federal requirements.

Your Committee has amended this measure by deleting its contents and inserting S.B. No. 2175, S.D. 1, to also establish a GEAR UP Hawaii trust fund, with the following differences:

- (1) Allows the university to appoint one or more trustees of the fund;
- (2) Makes further clarification of the applicability of rulemaking under chapter 91, Hawaii Revised Statutes, to the fund;
- (3) Makes further clarification of the legal nature and operations of the fund; and
- (4) Is effective upon approval.

The amended measure also makes technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1893, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1893, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

SCRep. 3023 Education on H.B. No. 1928

The purpose of this measure is to appropriate funds for the Hawaii Teacher Standards Board.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii State Teachers Association, and Hawaii Business Roundtable. Your Committee received testimony in opposition to the measure from one individual.

Your Committee finds that the Hawaii Teacher Standards Board must be given the staff resources it needs to carry out its crucial responsibility of establishing and maintaining high standards in the issuance and renewal of teacher licenses in Hawaii.

Your Committee has amended the measure by:

- (1) Changing the appropriation amount from \$1 to \$347,228; and
- (2) Authorizing the conversion of not more than two existing positions to permanent status.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1928, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1928, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Tsutsui).

SCRep. 3024 Education on H.B. No. 1929

The purpose of this measure is to appropriate funds for Hawaii 3R's, a volunteer program to repair and maintain the public school facilities.

Your Committee received testimony in support of the measure from United States Senator Daniel Inouye, the Department of Education, Department of Accounting and General Services, Hawaii 3R's, Hawaii State Teachers Association, America's Promise Hawaii, Pacific Resource Partnership, Durus International Corporation, American society of Civil Engineers, Chamber of Commerce of Hawaii, Hawaii Business Roundtable, Hawaiian Electric Company, and two Department of Education principals.

Your Committee finds that Hawaii 3R's is an effective public-private partnership that leverages state funding efficiently to provide much needed repairs and maintenance in Hawaii's public schools on the islands of Kauai, Oahu, Molokai, Maui, and Hawaii.

Your Committee has amended the measure by:

- (1) Changing the appropriation amount for the program from \$1 to \$500,000;
- (2) Establishing in statute the position of education construction project coordinator in the Department of Accounting and General Services; and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1929, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1929, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Tsutsui).

SCRep. 3025 Education on H.B. No. 2286

The purpose of this measure is to appropriate matching funds for the administration of the Hawaii Commission for National and Community Service.

Testimony in support of the measure was submitted by the University of Hawaii, Hawaii Commission for National and Community Service (commission), Americorp Program, Youth Service Hawaii, and an individual.

Your Committee finds that the commission administers six community volunteer programs on Oahu, Maui, Molokai, Kauai, and Hawaii. Its Americorp members provide support and education on domestic abuse prevention. Some of their services include Meals on Wheels for homebound seniors, programs for endangered species restoration, invasive species removal, native forest recovery, coastal clean up, aquatic resource management, and trail building and management. Your Committee finds that these programs provide substantial benefits to the State. The funds appropriated in this measure will be used as matching funds which will allow the State to receive an additional \$1,000,000 in program and training funds.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2286, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

SCRep. 3026 Education on H.B. No. 2547

The purpose of this measure is to:

- (1) Grant limited oversight to the Auditor over expenditures made from the University of Hawaii (UH) tuition and fees special fund for the University of Hawaii Foundation; and
- (2) Require the UH to report to the Legislature before each Regular Session on the expenditures.

Your Committee received testimony in support of the measure from the Auditor. Your Committee received testimony in opposition from the University of Hawaii and University of Hawaii Foundation.

Your Committee finds that this measure is necessary to achieve greater transparency and accountability regarding funds received by the University of Hawaii Foundation, which is a private, nonprofit entity that expends public moneys.

Your Committee has amended the measure by removing its contents and replacing them with those of S.B. No. 3013, to:

- (1) Delete reference to promoting alumni activities and maintaining stewardship over state moneys; and
- (2) Make the effective date upon approval.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2547, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2547, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

SCRep. 3027 Education on H.B. No. 2911

The purpose of this measure is to enhance accountability of charter schools.

Specifically, the measure requires that charter schools be subject to:

- (1) County laws, codes, and rules governing land use and public health and safety to the extent that those laws, codes, and rules apply to other public schools;
- (2) State land use laws;
- (3) The Uniform Information Practices Act; and
- (4) Audit by the Department of Education (DOE) and the Auditor.

Testimony in support of the measure was received from the DOE, Attorney General, Hawaii County Office of the Corporation Counsel, Hawaii County Council, and Hawaii Government Employees Association, Local 152, AFL-CIO. The Hawaii Charter Schools Network, the Na Wai Ola "Waters of Life" Public Charter School and the School Board of Na Wai Ola testified in opposition to the measure. The Office of Information Practices commented on the measure.

Your Committee finds that the current exemptions applicable to charter schools are ambiguous, and that the changes in this measure will clarify their responsibilities.

Your Committee has amended this bill by:

- (1) Deleting the requirement to comply with state land use laws and the Uniform Information Practices Act; and
- (2) Changing the audit and inspection requirement to be performed by the charter school administrative office.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2911, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2911, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 3028 Energy and Environment on H.B. No. 1634

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for the planning, design, construction, and equipping of, and the acquisition of lands for, a plasma municipal solid waste processing system to convert solid wastes into electricity, and chemically and biologically inert slag, on the island of Oahu.

Testimony in support of the measure was submitted by Jacoby Development, Inc. and its subsidiary, Geoplasma, LCC, and a concerned individual.

Your Committee finds that the limited landfill space problem facing the State warrants consideration of waste processing alternatives such as the plasma municipal solid waste processing system. Consequently, your Committee is reporting this measure out to facilitate further discussion of the issue.

Your Committee amended the measure by changing the amount of authorized bonds from \$100,000 to \$1 and limiting the purpose of the bonds to planning and design for the plasma municipal solid waste processing system only.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1634, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1634, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3029 Energy and Environment on H.B. No. 1944

The purpose of this measure is to extend the authorization date for the issuance of special purpose revenue bonds to assist the Worldwide Energy Group, Inc. in the development of the Hawaii Sugar Ethanol Project.

Testimony in support of the measure was received from the Kauai Office of Economic Development, Hawaii Agriculture Research Center, Gay and Robinson, Inc., and Worldwide Energy Group.

Your Committee finds that the authorization of Act 136, Session Laws of Hawaii 2000 for \$50,000,000 will lapse on June 30, 2004. Your Committee further finds that ethanol fuel has been identified in the Hawaii energy strategy as a means to achieve the goal of twenty-percent renewable energy by the year 2020. The extension of time will facilitate further development of the ethanol fuel project.

Your Committee has amended this bill by extending the bond authorization date to June 30, 2009, and changing the effective date to June 29, 2004.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1944, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1944, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3030 Energy and Environment on H.B. No. 2048

The purpose of this measure is to amend the definition of an "eligible customer-generator" to include government entities and to increase the capacity of eligible customer-generators from ten kilowatts to fifty kilowatts for net-energy metering purposes.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, Department of Commerce and Consumer Affairs, Public Utilities Commission, a Maui County Council member, Office of the Managing Director for the City and County of Honolulu, Hawaii PV Coalition, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, Powerlight, and the Hawaii Chapter of the Sierra Club. Testimony in opposition of this measure was submitted by the Strategic Planning for Kauai Island Utility Cooperative. Comments were submitted by Hawaiian Electric Company.

Your Committee finds that including government entities as eligible customer-generators and increasing the maximum capacity from ten to fifty kilowatts is necessary, and your Committee believes that this measure addresses those needs.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2048, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3031 Energy and Environment on H.B. No. 2142

The purpose of this measure is to protect business and trade secrets and other confidential proprietary information contained within records pertaining to tenants and prospective tenants of the Natural Energy Laboratory of Hawaii Authority from public disclosure.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, Office of Information Practices, and Natural Energy Laboratory of Hawaii Authority (NELHA).

Your Committee finds that currently the leasing function of the Natural Energy Laboratory of Hawaii Authority requires tenants to provide detailed business plans to evaluate their potential for successful tenancy. Due to the nature of this business, the information obtained is proprietary, and prospective and current tenants may potentially be harmed by public disclosure of this sensitive information. Your Committee believes that this proprietary information should not be subject to disclosure, and this measure will protect this type of information from normal sunshine law provisions.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2142, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3032 Energy and Environment on H.B. No. 2969

The purpose of this measure is to allow for the installation of solar energy devices on any privately owned single-family residential dwelling or townhouse, with limited restrictions.

Testimony in support of the measure was submitted by the Sierra Club, Hawaii Chapter; Hawaii Solar Energy Association; Hawaii Renewable Energy Alliance; and Powerlight Solar Electric Systems. Testimony in opposition to the measure was submitted by Hawaii Council of Associations of Apartment Owners, and Pacific Village. The Department of Business, Economic Development and Tourism submitted comments on the measure.

Your Committee finds that use of clean renewable energy systems should be encouraged to reduce the State's reliance on petroleum-based power sources. Solar water heaters are the best means for reducing electricity demands of homeowners. Your Committee believes that obstacles to those uses, such as restrictive covenants, need to be removed and greater use of those renewable energy systems should be mandated in construction of new dwellings.

Accordingly, your Committee amended the measure by:

- (1) Reformatting the measure into three parts;
- (2) Requiring private entities to adopt rules by June 30, 2005 that are not unduly or unreasonably restrictive for the placement of solar energy devices;
- (3) Changing the party responsible for damages related to the solar energy device from the person who installed the device to the owner of the dwelling unit or townhouse;
- (4) Excluding skylights and windows from the definition of "solar energy device";
- (5) Defining "townhouse" as that term is defined in section 502C-1, Hawaii Revised Statutes;
- (6) Making the installation of solar energy devices not subject to approval of the board of directors of an association of apartment owners;
- (7) Adding a new part requiring the use of a conventional solar panel hot water system, or its equivalent in energy efficiency, in the construction of all new dwelling with sufficient insolation;
- (8) Requiring the Public Utilities Commission to amend its utility rules and requirements to exclude new residential construction from any rebates and report to the 2005 Legislature;
- (9) Making the new Part II effective as of July 1, 2006; and
- (10) Making a technical, nonsubstantive grammatical change.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2969, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2969, H.D. 1, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3033 Energy and Environment on H.B. No. 2974

The purpose of this measure is to clarify the basis for disciplinary action that may be exercised by the pest control board against pest control operators.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs and State Pest Control Board.

Your Committee finds that this measure provides needed clarification of the law and needed protection of pest control operators from frivolous complaints from property owners.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2974, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3034 (Joint/Majority) Economic Development and Transportation, Military Affairs, and Government Operations on H.B. No. 2661

The purpose of this measure as received is to assist individuals and businesses surrounding military installations in obtaining financing for economic development projects that address future realignment or the closure of a military installation.

Prior to the hearing, your Committees circulated a Proposed SD1 on this measure. As proposed, this measure renames and amends the Hawaii 3Rs school repair and maintenance fund and related tax credits for the expansion of the Project EAST (environmental and spatial technology) initiative in Hawaii's public schools.

Testimony in support of the proposed measure was received from the Department of Taxation, the Hawaii State Teachers Association, and one individual. Hawaii 3Rs testified in opposition to the measure. The Tax Foundation of Hawaii offered comments on the measure.

Your Committees find that this proposed bill is modeled after the highly successful Hawaii 3Rs program, which was established in 2001 to address the growing backlog of public school repair and maintenance. This measure would expand that public-private initiative to include the expansion of technology laboratories, such as those in Project EAST.

Your Committees have heard a number of concerns expressed by Hawaii 3Rs, regarding the difference in scope of the two components, funding restrictions, and agency designations. Your Committees believe these concerns are important considerations and have amended the proposed language to reflect these concerns.

Your Committees have amended this measure by:

- (1) Allowing a tax credit for certain individuals that contribute in-kind services relating to the establishment and maintenance of public school technology laboratories;
- (2) Establishing the Hawaii 3Ts school technology laboratories fund, modeled after the Hawaii 3Rs school repair and maintenance fund, which is separate from the State treasury and administered by an undesignated Hawaii non-profit organization;
- (3) Creating the Hawaii 3Ts School Technology Laboratories Board;
- (4) Making an appropriation as a grant-in-aid to the undesignated Hawaii non-profit organization; and
- (5) Creating an administrative position in the department of business, economic development, and tourism and making an appropriation to fund this position.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2661, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2661, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, 1 (Trimble). Excused, 5 (Baker, Ige, Ihara, Kanno, Whalen).

SCRep. 3035 (Joint/Majority) Labor and Judiciary and Hawaiian Affairs on H.B. No. 2025

The purpose of this measure is to prohibit an employer from discriminating between employees on the basis of gender through the payment of wages to an employee at a rate less than that at which an employee of the opposite sex is paid for equal work, with certain exceptions.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, the Hawaii Civil Rights Commission, the Hawaii League of Women Voters, Hawaii Women Lawyers, the Community Alliance on Prisons, and a private citizen.

Testimony in opposition to this measure was submitted by Alaka'i Mechanical Corporation, Hawaiian Host, Hale Ola Kino, Queen Kapiolani Hotel, the Society for Human Resource Management, Kapalua Bay Hotel & Ocean Villas, and two private citizens.

Comments on this measure were also submitted by the Department of Labor and Industrial Relations.

Your Committees find that under the current law, an employer is prohibited from discriminating against an employee in compensation or in the terms, conditions, or privileges of employment on the basis of the employee's gender. Additionally, further protection against the same and related types of discrimination based upon sex is provided for under Title VII of the Civil Rights Act of 1964 and the Equal Pay Act of 1963, 29 U.S.C. §206(d). Despite the existence of these prohibitions, currently in Hawaii wage disparity continues to exist where a woman earns only eighty-four cents for each dollar earned by a man. The effect of such a wage disparity negatively impacts the financial security, health, and well-being of women and families, contributes to the existence of depressed wages, reductions in standards of living, and increases in poverty rates, prevents the maximum utilization of available labor resources, and increases the number of labor disputes.

Your Committees believe that the passage of this measure will signify the State's recognition that discrimination on the basis of gender with regard to the payment of wages continues to exist within the State. In further recognition of this problem, your Committees find that the establishment of a task force to review information relevant to gender-based pay inequities and make recommendations to the Legislature for specific actions to correct such inequities will also reaffirm and solidify the State's commitment to ensuring that such discriminatory practices are finally eliminated.

Accordingly, your Committees have amended this measure by:

- (1) Including language to clarify that nothing in the measure is intended to diminish the existing, broader protections provided under Part I of Chapter 378, Hawaii Revised Statutes;
- (2) Creating a four-year task force to review relevant information regarding gender-based pay inequities and make recommendations to the Legislature annually to rectify any problems discovered; and
- (3) Changing the effective date of the Act to be upon approval; provided that the task force shall be disbanded in 2010.

As affirmed by the records of votes of the members of your Committees on Labor and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2025, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2025, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 2 (Sakamoto, Slom). Excused, 3 (Fukunaga, Kawamoto, Taniguchi).

SCRep. 3036 Energy and Environment on H.B. No. 2013

The purpose of this measure is to phase out the use of brominated flame retardants and polybrominated diphenyl ethers (PBDEs) in the State of Hawaii.

Specifically, effective January 1, 2008, this measure prohibits the manufacture, processing, or distribution of any product or flame-retarded part of a product containing more than one-tenth of one percent of pentaBDE or octaBDE.

Your Committee received testimony in support of this measure from the State of Hawaii Women's Legislative Caucus and Healthy Mothers, Healthy Babies Coalition of Hawaii. Testimony in opposition to the measure was received from the Bromine Science and Environmental Forum.

Your Committee finds that scientists are warning of the increased presence of PBDEs in the environment with specific concern for the levels found in breast milk. Studies indicate that the chemical may interfere with brain development causing learning, memory, and behavioral problems. Your Committee further finds that alternative products are available that are safe for humans and the environment.

Your Committee has amended this measure by deleting the mandate to the Legislative Reference Bureau to make recommendations to the Legislature regarding the regulation of polybrominated diphenyl ethers, and by making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2013, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3037 Energy and Environment on H.B. No. 2578

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Honolulu Seawater Air Conditioning LLC for the design and construction of a seawater air conditioning/thermal energy storage district cooling system in downtown Honolulu.

Testimony in support of the measure was submitted by Honolulu Seawater Air Conditioning LLC, Ocean Engineering & Energy Systems International, Inc., and Makai Ocean Engineering. The Manager and Chief Engineer of the Board of Water Supply submitted comments regarding the measure.

Your Committee finds that support for the development of renewable and efficient energy systems in the State is in the public interest. Such support is particularly warranted because Hawaii is geographically isolated from sources of oil and continues to be dependent on fossil fuels.

Your Committee amended the measure by correcting the defective effective date from July 1, 2010 to July 1, 2004.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2578, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2578, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3038 Water, Land, and Agriculture on H.B. No. 432

The purpose of this measure is to appropriate funds for the Department of Land and Natural Resources (DLNR) to conduct a study to prevent erosion of the banks of Kawa, Heeia, Keaahala/Keolaa, and Kaneohe Streams.

Testimony in opposition to the measure was submitted by Chairperson of the Board of Land and Natural Resources.

Your Committee finds, given that recent heavy rains may have destabilized stream banks in the windward areas of Oahu, that prudence and public safety justify the conduct of an erosion control study by the DLNR at this time. Your Committee heard the

concerns of the DLNR that maintenance of the streams identified for the study is the responsibility of the City and County of Honolulu or other private landowners.

Accordingly, your Committee amended the measure by requiring that the DLNR work with the City and County of Honolulu, Natural Resources Conservation Service, and Federal Emergency Management Agency to ensure that the appropriate parties are involved in the study and that matters pertaining to the hazards posed by natural disasters are also addressed.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 432, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 432, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3039 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on H.B. No. 1560

The purpose of this measure is to require the Department of Land and Natural Resources to give a vessel owner notice and opportunity to be heard regarding the basis for impounding the vessel and raises the appraised value of an impounded vessel that does not need an auction to less than \$5,000.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources.

Your Committees find that there are several problems associated with the disposition of abandoned, derelict, and unauthorized vessels. First, there are many administrative costs associated with disposing abandoned, derelict, or unauthorized vessels at public auction. Many times, the money recovered from the auctioned vessels do not even cover the cost for the auction and operational costs to impound, transport, and store the vessel.

Second, there are no provisions to require administrative hearings for registered or recorded owners of impounded abandoned or derelict vessels. There are provisions for administrative hearings for registered or recorded owners of vessels impounded for unauthorized moorings.

Your Committees believe that this measure is necessary to raise the appraised value of an impounded vessel that does not require a public auction from \$250 to \$5,000. This increase helps to provide a cost efficient process for disposing impounded vessels. However, your Committees also believe that although the disposition process may be expedited, an administrative hearing process for impounded abandoned and derelict vessels will help to protect registered and recorded owners' due process rights prior to disposition of the vessels.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1560, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Baker, English, Kanno, Whalen).

SCRep. 3040 Water, Land, and Agriculture on H.B. No. 1793

The purpose of this measure is to direct the Department of Land and Natural Resources to enter into negotiations with the George Galbraith Trust for a land exchange of private agricultural lands situated north of Wahiawa, Oahu.

Testimony in support of the measure was submitted by a representative of the International Longshore and Warehouse Union, Local 142, the President of the Poamoho Community Association, and a concerned individual. The Chairperson of the Board of Land and Natural Resources submitted comments on the measure.

Your Committee was informed that Del Monte Corporation, upon terminating its lease with the George Galbraith Estate, has issued notices of eviction to the sixty families that reside in Poamoho Village. All of the residents of Poamoho Village are employees or former employees of Del Monte. Since they have very modest or fixed incomes and cannot afford to move elsewhere, their sudden displacement may contribute to Hawaii's homeless problem. Your Committee finds that the plight of the residents of Poamoho Village merits the Legislature's intervention to seek a solution to their impending eviction from their homes. Your Committee was informed, however, that the land exchange may be feasible only if suitable state lands under the jurisdiction of other state agencies, such as the University of Hawaii, can be considered for the exchange.

Accordingly, your Committee amended the measure by adding "other appropriate state agencies" to the parties involved in the negotiations for the land exchange.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1793, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1793, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3041 Water, Land, and Agriculture on H.B. No. 1946

The purpose of this measure is to allow taxpayers to designate \$1 from their return to be paid into the beach restoration special fund.

Testimony in support of this measure was submitted by the Hawaii Audubon Society and the Hawaii Chapter of the Sierra Club. Testimony in opposition to this measure was submitted by the Department of Taxation. Comments were submitted by the Department of Business, Economic Development and Tourism, Department of Land and Natural Resources, and Tax Foundation of Hawaii.

Your Committee finds that many of the State's beaches have deteriorated, losing huge amounts of sand. Public access to these beaches have also eroded and become unsafe, exposing individuals to jagged rocks and surf. Your Committee further finds that a statewide effort is needed to repair this damage to benefit residents and regain and maintain one of the State's main visitor attractions. Your Committee believes that this measure will address these needs by allowing a voluntary income check-off for taxpayers to donate money to the beach restoration special fund.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1946, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3042 Water, Land, and Agriculture on H.B. No. 2322

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Aloun Farms to build an agricultural processing plant.

Testimony in support of the measure was submitted by the Board of Agriculture and the University of Hawaii.

Your Committee finds that access to an agricultural processing facility is becoming increasingly necessary to meet changing industry standards in agricultural marketing and to address potential food safety of this operation. This measure will provide the funding needed to build the processing plant.

Accordingly, your Committee has amended this measure by changing its effective date to July 1, 2004.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2322, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2322, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3043 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on H.B. No. 2439

The purpose of this measure is to expedite the construction, installation, and maintenance of civil defense warning or signal devices and sirens by exempting them from the definition of "development" for purposes of coastal zone management.

Testimony in support of this measure was submitted by the Department of Defense.

Your Committees recognize that civil defense warning or signal devices and sirens are critical to alerting the public to potentially dangerous events and that all efforts should be made to expedite the construction, installation, and maintenance of these devices and sirens. However, the construction, installation, and replacement of the devices and sirens is frequently delayed by permit requirements that are not justified given the vital role they provide for the public.

Your Committees find that this measure is necessary to expedite the construction, installation, and maintenance of civil defense warning or signal devices and sirens by exempting them from the definition of "development" for purposes of coastal zone management.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2439, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Baker, English, Kanno, Whalen).

SCRep. 3044 Water, Land, and Agriculture on H.B. No. 2493

The purpose of this measure is to establish a civil natural resource violations system within the Department of Land and Natural Resources to process violations of departmental regulations.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources (DLNR) and the Hawaii Chapter of the Sierra Club.

Ten years ago, DLNR had an extensive backlog of cases alleging minor violations of the conservation law. The Board of Land and Natural Resources approved a voluntary pilot program to divert offenders from the time-consuming process of appearing before the Board by either paying a fine or requesting a hearing from a hearing officer. This has been such a successful program that DLNR would like to extend it department-wide, but cannot do this without statutory authorization.

Your Committee finds that there is a need to have a department-wide administrative hearing system for the Board of Land and Natural Resources, and your Committee believes that this measure will address that need.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2493, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3045 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on H.B. No. 2528

The purpose of this measure is to provide a conservation land tax credit for taxpayers who donate certain lands to the State or who voluntarily initiate the reclassification of residentially zoned land to conservation land.

Testimony in support of this measure was submitted the Office of Hawaiian Affairs, Hawaii Audubon Society, Hawaii Chapter of the Sierra Club, and three individuals. Testimony in opposition to this measure was submitted by the Department of Taxation. Comments were submitted by the Department of Land and Natural Resources and Tax Foundation of Hawaii.

Your Committees find that conservation of Hawaii's culture and natural environment is of great importance, and tax credits for taxpayers who voluntarily donate or rezone their land to conservation will encourage this. Your Committees believe that this measure provides the incentives that should encourage taxpayers to donate and rezone their land to conservation.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2528, H.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Baker, English, Kanno, Whalen).

SCRep. 3046 Water, Land, and Agriculture on H.B. No. 2722

The purpose of this measure is to appropriate funds to reduce sediment flow into the Ala Wai Canal by providing vegetative cover and constructing retention basins for Manoa and Palolo streams.

Testimony in support of this measure was submitted by Waikiki Improvement Association. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that improvement to the Ala Wai watershed is necessary to reduce pollution and protect the health and safety of the public. This goal can be accomplished by reducing sediment flow into the Ala Wai canal by constructing retention basins and providing vegetative cover along stream banks. Your Committee finds that this measure will provide the necessary moneys to accomplish these goals.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2722, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3047 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on H.B. No. 2792

The purpose of this measure is to require owners of private roads to maintain them, pursuant to agreement or in absence of agreement, in equal shares, and allows county ordinances dealing with maintenance of private roads to supercede the new statutory requirement in the absence of an agreement between the owners.

Testimony in support of this measure was submitted by the Director of Facility Maintenance, City and County of Honolulu; Hawaii Association of Realtors; Hawaii Bankers Association; and a concerned individual.

Your Committees find that the lack of clarity regarding the responsibility for maintaining private roads has created problems among property owners and obstacles to mortgage financing. Your Committees believe this measure will rectify the problem sufficiently to make more mortgage financing available for home purchases and alleviate disputes regarding roadway maintenance among property owners who share a common private road or easement.

Your Committees heard the concerns of the Director of Facility Maintenance and amended the measure by:

- (1) Limiting the county's obligation to maintain a private road or easement to the extent specified in the ordinance and subject to the availability of county funds; and
- (2) Requiring that the private road or easement meet the ordinance criteria to qualify for maintenance.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2792, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2792, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Baker, English, Kanno, Whalen).

SCRep. 3048 (Joint) Water, Land, and Agriculture and Tourism on H.B. No. 2859

The purpose of this measure is to require the Hawaii Tourism Authority to convene a working group to study the feasibility of developing an international equestrian facility.

Testimony in support of the measure was submitted by Hawaii Quarter Horse Association, Dillingham Ranch, Advocates for Consumer Rights, Hawaii State Dressage Society, Hawaii Coalition Against Legalized Gambling, and nine individuals. Testimony in opposition was submitted by Hawaii Tourism Authority and the Department of Business, Economic Development, and Tourism.

Your Committees find that the equine industry can be a source of tremendous revenue. Hawaii's climate has made it an attractive site for famous trainers to conduct clinics on equestrian sport. This measure will encourage the development of an activity that can enhance the economic health of Hawaii by exploring the practical and financial feasibility of building an international equestrian facility.

Upon further consideration, your Committees have amended this bill by substituting the Governor in place of the Hawaii Tourism Authority and changing its effective date to January 1, 2005.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2859, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2859, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Espero, Sakamoto, Whalen).

SCRep. 3049 Water, Land, and Agriculture on H.B. No. 2964

The purpose of this measure is to clarify that probable cause is not necessary for inspections by Department of Land and Natural Resources agents of any bag, container, vehicle, or conveyance that may contain aquatic life prohibited by law.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, Hawaii Audubon Society, Ocean Law and Policy of the Pacific Forum CSIS, and the Hawaii Chapter of the Sierra Club.

Your Committee finds that under the hunting statutes, the Department of Land and Natural Resources (DLNR) is statutorily allowed to inspect any hunter's bag, container, hunting coat or jacket, carrier, or vehicle where game might be concealed. No probable cause is required because the hunter consents to a search when a hunting license is issued.

Under the aquatic resources statute, a DLNR agent may search any bag or container used to carry aquatic life, or any vehicle or conveyance used to transport aquatic life, only if the agent has probable cause to believe that the bag, container, vehicle, or conveyance contains evidence in violation of laws on aquatic resources.

Your Committee finds that the two approaches for hunting and aquatic resources should be standardized and should apply the same approach for inspecting bags, containers, vehicles, or conveyances of persons who hold a license or permit under either law. Your Committee believes that between the two approaches, the hunting-law standard should be used for both hunting and aquatic resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2964, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3050 (Majority) Labor on H.B. No. 1778

The purpose of this measure is to authorize an employer, upon receipt of written authorization by an employee, to provide the employee with an electronic record which contains the employee's total gross compensation, the amount and purpose of each deduction, the total net compensation, the date of payment, and the pay period covered, in lieu of a printed, typewritten, or handwritten record.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations and Verizon Hawaii.

Subsequently, your Committee conducted a hearing on a proposed Senate draft version of this measure which incorporated provisions authorizing the use of electronic payment records as well as included provisions to clarify that the state law requiring the payment of prevailing wages applies to all laborers, mechanics, and their required assistants, helpers, tenders, and apprentices on a public works project.

Testimony in support of this proposed amended measure was submitted by the Hawaii Operating Engineers Industry Stabilization Fund and Verizon Hawaii.

Testimony in opposition to this proposed amended measure was submitted by the Department of Labor and Industrial Relations and the Hawaii Chapter of Associated Builders and Contractors, Inc.

Your Committee finds that under the current law, an employer is only authorized to provide an employee with a printed, typewritten, or handwritten record of payment. Your Committee further finds that with the advancements of technology in the workplace, the law must also evolve to accommodate additional forms of transmitting and receiving information. Your Committee determines that the utilization of electronic payment stubs will provide employers with a cost-effective alternative for the transmission of wage information to their employees.

Your Committee also finds that the State must strive towards perpetuating a sense of equity in the governance of public works projects. Under prevailing standards, required assistants, helpers, tenders, and apprentices should be receiving the payment of prevailing wages to ensure uniformity in the execution of public works projects. Therefore, your Committee determines that the establishment of clear standards in the law will provide equally patent guidelines for the Department of Labor and Industrial Relations to follow in its enforcement of prevailing standards.

Accordingly, your Committee has amended this measure by adding the following:

- (1) An amendment to section 104-2, Hawaii Revised Statutes, that requires all laborers and mechanics that are required to perform work on a public works project be paid prevailing wages; and
- (2) An amendment to section 104-21, Hawaii Revised Statutes, that requires the employ and payment of the assistants, helpers, tenders, or apprentices of any laborer or mechanic at prevailing wages.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1778, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1778, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

SCRep. 3051 (Joint/Majority) Science, Arts, and Technology and Economic Development on H.B. No. 2396

The purpose of this measure is to further efforts that encourage the development and growth of new technology-intensive businesses.

The measure accomplishes this by, among other things:

- (1) Establishing a business-research institute tax credit;
- (2) Clarifying the existing high technology business investment tax credit (tax credit) by establishing that a presumption exists that a transaction satisfies the doctrine of economic substance and business purpose if the tax credit has an investment tax credit ratio of 2.0 or less of credit for every dollar invested;
- (3) Extending the technology infrastructure renovation tax credit;
- (4) Establishing a nonrefundable tax credit for scientific research by qualified research and development companies that are limited to qualified high technology businesses as defined in the section relating to the Tax Credit;
- (5) Creating the Hawaii private investment fund (fund) program to increase the availability of equity and debt capital for emerging, expanding, and restructuring enterprises in Hawaii;

- (6) Requiring taxpayers who claim a tax credit for research activities to submit a written, certified statement to the Director of Business, Economic Development, and Tourism identifying qualified expenditures and the amount of tax credits;
- (7) Establishing record-keeping requirements and procedures for the Department of Business, Economic Development, and Tourism;
- (8) Giving the Department of Taxation latitude to qualify companies for tax credits pursuant to Act 221, Session Laws of Hawaii 2001; and
- (9) Appropriating funds from the Hawaii strategic development corporation revolving fund for the 2005-2006 fiscal year to operate the fund program.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism, the Department of Agriculture, the Dean of the University of Hawaii John A. Burns School of Medicine, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the Oceanic Institute, and the League of Women Voters. The Department of Taxation, the Interim Vice President of Research for the University of Hawaii, the Hawaii Technology Trade Association, the Waikiki Improvement Association, Hoana Medical, the PacifiCap Group, the Hawaii Venture Capital Association, and two individuals testified in support of the measure with various amendments. The Screen Actors Guild, Hawaii Branch, the International Alliance of Theatrical and Stage Employees, Local 665, and the American Federation of Musicians, Local 667, opposed the measure's passage. The Office of Information Practices and the Tax Foundation of Hawaii submitted comments.

Your Committees note the concerns that have been voiced over alleged abuse of the so-called "Act 221" high technology tax credits. The Director of Taxation has recently stated that the Department of Taxation estimates that approximately twenty per cent of Act 221 tax credits granted may qualify as criminal abuse of the tax credits. Your Committees believe this assertion to be an enforcement issue and that the Department of Taxation already has the authority and the human resources to investigate and prosecute criminal abuses of the tax credits. However, your Committees also believe that there is room to improve the tax credits by targeting the tax credits and making the tax credit laws more readily enforceable.

In light of this belief, your Committees have amended the measure by deleting its substance and inserting therefor an amended version of S.B. No. 3024, S.D. 2. Although substantially similar to the measure as received by your Committees, with regard to the private investment portion, the amended measure:

- (1) Deletes the findings and purpose section contained in the House Draft 2 version;
- (2) Resituates the Hawaii private investment fund and its attendant enabling proposed statutes from Chapter 211F, Hawaii Revised Statutes, and places the proposed language in a new chapter to be determined by the Revisor of Statutes;
- (3) Renames the Hawaii private investment fund, the state private investment fund, both of which are modeled after a similar and highly successful Oklahoma model, to stimulate increased venture capital investment;
- (4) Places the responsibility of administering the state private investment fund with the Hawaii Strategic Development Corporation, rather than establishing an autonomous board of directors as proposed under the House Draft 2 version;
- (5) Removes the requirement that the Auditor audit the state private investment fund every five years; and
- (6) Renames the Hawaii private investment revolving fund, the Hawaii capital formation revolving fund.

With respect to the income tax credits portion, the amended measure:

- (1) Deletes the section that established a tax credit for Hawaii business-research institutes;
- (2) Adds a section to the measure that creates a new section in Chapter 235, Hawaii Revised Statutes, relating to state income tax laws, that directs the Department of Taxation to liberally construe high technology-related tax credits (sections 235-7.3, 235-9.5, 235-110.51, 235-110.9, 235-110.91, and 235-111.5)
- (3) Expands, clarifies, and strengthens the House Draft 2's concepts of:
 - (A) Liberally construing the high technology business investment tax credit statute;
 - (B) Utilizing the doctrine of economic substance and business purpose; and
 - (C) Establishing tax credit ratios;

by lowering the tax credit ratio threshold requirements, applying the foregoing concepts to all high technology-related tax credits, and clarifying that investments that are the result of the reorganizing or restructuring of an existing business do not qualify for the tax credits;

- (4) Deletes the perpetual appropriation of funds from the Hawaii strategic development corporation revolving fund to the Hawaii private investment fund (section 10 of the House Draft 2) and replaces it with a single year appropriation out of the Hawaii strategic development corporation revolving fund for the state private investment fund;

- (5) Deletes the House Draft 2 amendment that would have made the technology infrastructure renovation tax credit permanent, but increases the amount of the tax credit from four to ten per cent, to be available until December 31, 2007;
- (6) Deletes the House Draft 2's amendments to the definition of "technology-enabled infrastructure", as contained in the technology infrastructure renovation tax credit statute;
- (7) Requires taxpayers claiming a high technology business investment tax credit to file certain information with the Department of Business, Economic Development, and Tourism and for the department to issue certificates to complying taxpayers in order for them to qualify for the tax credit;
- (8) Establishes that the information required under paragraph (6) shall be a public document;
- (9) Reinstates the existing statutory language in the research activities tax credit (section 235-110.91, Hawaii Revised Statutes) that was to be deleted under the House Draft 2 and places a cap of \$4,000,000 on the amount a corporation or an associated or consolidated group of corporations can claim in a year;
- (10) Amends the manner in which the repeal of the sunset of the Hawaii strategic development corporation revolving fund, scheduled for July 1, 2004, is achieved; and
- (11) Makes housekeeping amendments to Acts 197 and 221, Session Laws of Hawaii 2000, to remove language that has been placed in statutes by this measure.

Your Committees have also amended the effective date section of the measure to reflect the changes made and by making numerous technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees will continue to work with the Administration and all interested parties and believe that the amended measure maintains the spirit and intent of providing high technology businesses with access to venture capital while addressing the enforcement concerns of the Department of Taxation.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2396, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2396, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 4. Noes, 1 (Trimble). Excused, 4 (English, Ihara, Kanno, Kawamoto).

SCRep. 3052 (Majority) Human Services on H.B. No. 2458

The purpose of this measure is to clarify and expand the responsibility of the Department of Human Services to use alternatives to bringing children into the formal Child Protective Services.

Testimony in support of the measure was submitted by the Department of Human Services and Child Welfare Services. The Judiciary submitted comments.

Your Committee finds that the federal Child and Family Services Review of Hawaii's child welfare system recommends the use of culturally sensitive, family strengthening diversion and other supportive services to improve the safety and well-being of children and families. The amendments in this measure are necessary to comply with the federal recommendations. This measure will help ensure that the child will not be taken out of custody unnecessarily and preserve the relationships that are important to the child's well-being.

Upon further consideration, your Committee has made the following amendments:

- (1) Amending the definition of "caregiver" to a person who has been caring for the child for at least six months;
- (2) Providing clarifying amendments to the type of case documentation required by the department; and
- (3) Deleting duplicative language regarding the police officers' duty to assume protective custody of a child.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2458, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2458, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Trimble). Excused, 2 (Hooser, Tsutsui).

SCRep. 3053 (Joint) Health and Human Services on H.B. No. 2796

The purpose of this measure is to appropriate funds from the emergency budget reserve fund for various health and human services programs.

Testimony in support of the measure was submitted by the State Council on Developmental Disabilities, Judiciary, Child Welfare Services, American Academy of Pediatrics, National Association of Social Workers, the Sex Abuse Treatment Center, Hawaii Coalition Against Sexual Assault, Straub Clinic and Hospital, Kaiser Permanente, Kapiolani Medical Center, Queen's Medical Center, Hana Community Health Center, Hale Mahaolu, Children's Alliance of Hawaii, Na Lei Wili AHEC, Hale Ipu Kukui Alaka'i, Hawaii Youth Services Network, University of Hawaii, Catholic Charities of Hawaii, Self-Help Housing Corporation of Hawaii, Domestic Violence Clearinghouse and Legal Hotline, Moiliili Community Center, Waikiki Community Center, Adult Friends for Youth, Hawaii FI-DO Service and Therapy Dogs, Hawaii Primary Care Association, The Digital Ride, Legal Aid Society, Volunteer Legal Services Hawaii, Aloha Care, and Molokai Occupational Center. Testimony in opposition was submitted by the Department of Budget and Finance and Department of Human Services. The Department of Health submitted comments.

Your Committees find that moneys are urgently needed to maintain levels of programs that are essential to the public's health, safety, and welfare.

Your Committees have amended this measure by inserting specific and appropriate dollar amounts to be expended by the respective departments and agencies.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2796, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2796, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hooser, Kokubun, Trimble, Hogue).

SCRep. 3054 Labor on H.B. No. 1374

The purpose of this measure is to:

- (1) Authorize the Insurance Fraud Investigations Unit of the Department of Commerce and Consumer Affairs to investigate and prosecute workers' compensation fraud related to self-insured employers; and
- (2) Establish the right of a party that successfully investigates workers' compensation fraud to a portion of the administrative penalties imposed upon the wrongful party, and the right of a prosecuted party that has been cleared of fraud to reimbursement of the prosecuted party's attorney's fees and costs.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations, the Department of Commerce and Consumer Affairs, the Chamber of Commerce of Hawaii, Hawaii Insurers Council, the National Federation of Independent Business—Hawaii, and the Hawaii Chapter of the American Physical Therapy Association.

Testimony in opposition to this measure was submitted by the Department of Human Resources Development, the Hawaii State AFL-CIO, and ILWU Local 142.

Your Committee finds that the expansion of the Insurance Fraud Investigations Unit to handle the investigation and prosecution of workers' compensation fraud relating to self-insured employers is appropriate. Your Committee further finds that the success of the structural shift to the Insurance Fraud Investigations Unit should be reevaluated after five years to determine whether the program has deterred fraud and investigated fraudulent activity in all areas — claimants, insurers, health care providers, and employers.

Your Committee does not find a need for a bounty hunter provision for the recovery of fifty percent of any administrative fine as an incentive for investigations which in itself carries the risk of being misused.

Your Committee has also amended this bill to avoid duplication of proceedings.

Accordingly, your Committee has also amended this measure by:

- (1) Clarifying that the Insurance Fraud Investigations Unit is authorized to investigate and prosecute workers' compensation fraud related to self-insured employers;
- (2) Removing the provision that entitled a party who successfully investigates and obtains a determination that fraud has occurred to fifty percent of the administrative penalty award determined under section 386-98(e)(1), Hawaii Revised Statutes;
- (3) Including language to avoid the duplication of proceedings; and
- (4) Requiring that the Act be repealed on June 30, 2009.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1374, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1374, H.D. 2, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 3055 (Joint/Majority) Economic Development and Science, Arts, and Technology on H.B. No. 2611

The purpose of this measure is to provide incentives to attract film, video, and sound recording production companies to the State by:

- (1) Expanding the provisions for the motion picture and film production income tax credit (production tax credit) to include digital media and sound recording productions;
- (2) Increasing the current production tax credit from four per cent to an unspecified percentage of costs incurred;
- (3) Clarifying the requirements a production must have to qualify for the production tax credit, such as a minimum amount of expenditure and a minimum percentage of labor hired from within the State of Hawaii;
- (4) Requiring qualifying taxpayers to submit to the Department of Business, Economic Development, and Tourism a report detailing the costs incurred and tax credit claimed, after which the Department will issue a certificate of verification; and
- (5) Establishing requirements that must be met by businesses producing performing arts products that are claiming the high technology business investment tax credit.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism, the Department of Taxation, the City and County of Honolulu Film Office, the County of Kauai Film Office, the County of Hawaii Film Office, the Hawaii Film Authority, and four private citizens. The Screen Actors Guild, Hawaii Branch, the International Alliance of Theatrical and Stage Employees, Local 665, and the American Federation of Musicians, Local 667, and a private citizen testified in support of the measure with amendments. The Office of Information Practices and the Tax Foundation of Hawaii submitted comments.

During its deliberations on the measure, your Committees received valuable input from a variety of sources and acknowledge with gratitude the assistance of the entertainment industry, the affected unions, the Department of Business, Economic Development, and Tourism, and the Department of Taxation. Each participant, although in general support of the measure's intent, was concerned over various aspects of the measure and it is your Committees' intention to continue working to craft a solution that more closely resembles a product to which all can agree.

Your Committees have amended the measure by separating the measure into two parts and designating the sections of the measure that affect non-tax credit-related laws as part I and the sections that affect tax credit-related laws as part II. Your Committees have done this based on the Department of Business, Economic Development, and Tourism's recommendation that if the television and film development program is to be expanded to encompass digital media industry as well, then it would be prudent to bolster the program's existing statutes to ensure success.

Part I of the amended measure:

- (1) Expands the findings and purpose section and inserting it within the Hawaii Revised Statutes as a new section under part IX of Chapter 201, relating to Hawaii television and film development; and
- (2) Adds four new sections that:
 - (A) Expand the title and various sections of part IX of Chapter 201, relating to Hawaii television and film development, to include the digital media industry;
 - (B) Delete the venture capital investment program established under the Hawaii television and film development law as a source of revenue;
 - (C) Rename the Hawaii Television and Film Development Board the Hawaii Digital Media Development Board, increase the membership on the board to an unspecified number, and ensure that the digital media industry is represented on the board; and
 - (D) Rename the Hawaii television and film development special fund to the Hawaii digital media development special fund, delete venture capital investments as a source of revenue to the fund, and establish a new option by which performing arts production investors may qualify for the high technology business investment tax credit (proposed as section 235-110.9(e)(2)(C), Hawaii Revised Statutes, in this measure, as amended).

Part II of the amended measure amends sections 235-17, and 235-110.9, Hawaii Revised Statutes (the motion picture and film production income tax credit and the high technology business investment tax credit, respectively). The motion picture and film production income tax credit is amended by:

- (1) Renaming it as the "performing arts productions income tax credit";
- (2) Replacing the existing four per cent (blank amount in the House Draft 2 version) tax credit with fifteen per cent as the amount to be used when qualified performing arts productions are conducted in a county with a population of over 700,000, and twenty per cent as the tax credit percentage amount to be used when qualified performing arts productions are conducted in a county with a population of 700,000 or less;

- (3) Deleting the \$2,000,000 maximum in tax credits claimable by a single production provision as contained in the House Draft 2 version and inserting therefor an unspecified maximum aggregate amount available under the tax credit for all productions in a taxable year and setting a cap on the total amount available for the tax credit in all years at \$60,000,000;
- (4) Deleting the House Draft 2 requirement that the Department of Business, Economic Development, and Tourism pro rate tax credits if the total amount of tax credits claimed in a taxable year exceed \$10,000,000, and replacing it with an unspecified total amount of tax credits issuable and claimable in a given taxable year;
- (5) Making the tax credit certificates issued by the Department of Business, Economic Development, and Tourism public documents; and
- (6) Adding definitions for the terms “performing arts products”, “qualified performing arts production costs”, and “qualified taxpayer”.

Your Committees find that, according to testimony provided by industry representatives, the House Draft 2 proposal of imposing a \$2,000,000 cap per production would actually have a regressive effect on the existing tax credit and therefore would be counterproductive to the program’s intent. Also, the Department of Business, Economic Development, and Tourism pointed out that, under the House Draft 2 model, not all productions would be able to utilize the tax credit.

The high technology business investment tax credit is amended by:

- (1) Deleting the proposed language that was added to the definition of “qualified high technology business” by the House Draft 2 version and establishing that language as a separate subsection within the same section of law;
- (2) Designating the Department of Business, Economic Development, and Tourism as the lead state agency in negotiating with performing arts production companies;
- (3) Allowing performing arts production companies that are unable to meet the employment requirements to qualify for the tax credit by meeting one of the following requirements:
 - (A) At least twenty-five per cent of the performing arts product’s post production shall be conducted in the State as measured by the total post production budget;
 - (B) At least twenty-five per cent of the performing arts product’s digital effects shall be conducted in the State as measured by the project’s total digital effects budget; or
 - (C) The performing arts production company shall deposit an unspecified amount in the Hawaii digital media industry development special fund as an alternative; and
- (4) Placing a sunset date of December 31, 2010, on the tax credit.

Your Committees have also:

- (1) Amended the effective date provision to cause the amendments made to the tax credits to sunset as of January 1, 2011; and
- (2) Made numerous technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committees believe that the amended measure provides a simplified and streamlined approach to providing incentives for the ever-expanding and constantly evolving high technology/entertainment industry. Your Committees also believe that the amended measure possesses the inherent flexibility necessary to adapt to the changing needs and desires of the State and the performing arts industry so that each may be equal and willing partners in nurturing and maintaining a vibrant, creative, and productive performing arts industry within the State.

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2611, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2611, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 1 (Trimble). Excused, 4 (English, Ihara, Kanno, Kawamoto).

SCRep. 3056 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 2206

The purpose of this measure is to update the controlled substance list, allow the Department of Public Safety to adopt rules to temporarily amend regulated list 1 and 2 of chemicals pending a subsequent legislative session, and add gamma hydroxybutyric acid to the list of depressants and defines it as a dangerous and harmful drug.

Testimony in support of this measure was submitted by the Department of Public Safety, Hawaii Food Industry Association, and Legislative Information Services of Hawaii. Comments were also submitted by Orphan Medical.

Your Committee adopted the amendments suggested by the Department of Public Safety to:

- (1) Reinsert the chemicals red phosphorus, white phosphorus, iodine crystals, and acetic anhydride as substances subject to reporting;
- (2) Add a new section to chapter 329, Hawaii Revised Statutes (HRS), that provides requirements when selling specific chemicals; and
- (3) Add a new section to chapter 329, HRS, that provides requirements for adopting rules for charging fees relating to the registration and control of the sale, distribution, and possession of chemicals regulated under part VI of chapter 329, HRS.

Your Committee finds that this measure, as amended:

- (1) Continues the effort to battle illegal drugs in Hawaii, by requiring that chemicals such as iodine, red phosphorus, and white phosphorus be monitored closely because they are essential ingredients for manufacturing methamphetamines;
- (2) Improves monitoring by requiring manufacturers, wholesalers, or retailers to limit the quantity of specific chemicals sold to individuals that do not have regulated-chemical permits or specific businesses that utilize the chemicals for lawful purposes;
- (3) Updates the list of controlled substances to conform with the federal updates to Schedule III controlled substances by:
 - (a) Adding xyrem, which contains gamma-hydroxybutyric acid (GHB); and
 - (b) Expanding the definition of ketamine to include its “salts, isomers, and salts of isomers”;
- (4) Allows the Department of Public Safety to adopt rules to add or delete regulated chemicals from list 1 and 2 in accord with alterations made on the federal list of chemicals, with the changes valid only until the next legislative session, when the changes must be codified to remain on or off the list; and
- (5) Addresses law enforcement concerns that the Schedule III controlled substance xyrem, which contains GHB, a Schedule I controlled substance, will be classified as a “dangerous drug” when obtained or used unlawfully.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2206, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2206, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Kawamoto). Excused, 1 (Ihara).

SCRep. 3057 (Joint) Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations on H.B. No. 2251

The purpose of this measure is to protect the health, safety, and welfare of the motoring public, in regard to repeat drunk driving offenders, by providing that all convictions for driving with a license restriction shall count in determining repeat offenders.

Specifically, this bill clarifies that:

- (1) A person may have his or her license suspended or revoked for operating a motor vehicle after the person’s license has been suspended or revoked for operating a vehicle while under the influence of an intoxicant under section 291E-62, Hawaii Revised Statutes (HRS); and
- (2) Offenses under section 291-4.5, HRS, which was replaced by section 291E-62, shall also be considered a repeat offense under section 291E-62.

Testimony in support of this measure was submitted by the Department of Transportation, City and County of Honolulu Department of the Prosecuting Attorney, Honolulu Police Department, and Mothers Against Drunk Driving Hawaii.

Your Committees find that currently there is an unintended ambiguity in section 291E-62(a). Section 291E-62(a) sets forth the offense of operating a vehicle after license suspension or revocation for operating a vehicle under the influence of an intoxicant. However, it is not a violation for a person to operate a vehicle when that person previously violated this section. It was an offense for a person to operate a vehicle when that person previously violated section 291-4.5, the predecessor to section 291E-62. Your Committees believe that a person with a violation under section 291E-62 should not be able to operate a vehicle, and this measure amends section 291E-62 to resolve this ambiguity.

Your Committees further find that currently only repeat offenses under section 291E-62 are considered prior offenses for sentencing. However, because section 291E-62 was only enacted in 2002, there are very few people that actually have a prior offense under this section at this time. The previous version of section 291E-62 was section 291-4.5, and all of the convictions prior to 2002 were offenses under this section. As a result, your Committees believe that offenses under section 291-4.5, which was replaced by section 291E-62, should also be considered a repeat offense to section 291E-62.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2251, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Baker, Ihara, Kanno, Menor).

SCRep. 3058 Ways and Means on H.B. No. 2280

The purpose of this measure is to authorize the issuance of general obligation bonds to finance projects for the Executive Branch and Judiciary.

This measure also makes findings and declarations, as required by Article VII, Section 13, of the Constitution of the State of Hawaii, that the total amount of principal and interest, estimated for general obligation bonds and all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

In the interest of continuing discussion on the measure, your Committee has amended it by inserting an effective date of July 1, 2030.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2280, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 6 (Espero, Inouye, Kanno, Kawamoto, Sakamoto, Tsutsui).

SCRep. 3059 Ways and Means on H.B. No. 2337

The purpose of this measure is to change the amount of the filing fee for a petition when an individual seeks a name change.

Specifically, the bill changes the filing fee from \$100 to an unspecified amount.

Currently, the amount of the filing fee required to accompany the petition for a name change is \$100. In 1995, the filing fee was raised from \$10 to \$50. The fee was increased again in 1998 from \$50 to \$100. In addition to the charges for the required publication of the name change in a newspaper of general circulation in the State, the cost of a name change may reach nearly \$200.

Your Committee believes that the current filing fee and publication costs make a name change prohibitive for some residents, particularly our seniors who frequently live on a fixed income. This measure will make a legal change of name more affordable for all Hawaii residents.

Upon further consideration, your Committee has amended this measure by changing the unspecified amount of the new filing fee. As a result, the net effect of this bill, as amended, is to reduce the amount of the filing fee from \$100 to \$50.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2337, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2337, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 6 (Espero, Inouye, Kanno, Kawamoto, Sakamoto, Tsutsui).

SCRep. 3060 (Joint) Health and Human Services on S.C.R. No. 43

The purpose of this measure is to request that a sexual assault branch be established within the Department of Health (DOH).

Testimony in support of this measure was received from the Women's Center at the University of Hawaii at Manoa, Hawaii State Commission on the Status of Women, Sex Abuse Treatment Center, Hawaii Coalition Against Sexual Assault, Community Alliance on Prisons, and Sestak Rehabilitation Services. Testimony in opposition was received from the DOH.

Your Committees find that currently there is no primary point of contact in our government for the planning and coordination of sexual assault services. The community, therefore, does not have a primary point of contact to access comprehensive information on sexual assault and sexual assault victim data. Sexual assault victims are of all ages, as well as female and male.

Your Committees further find that providing and maintaining access to comprehensive services is the most effective response to sexual assault. A sexual assault branch or unit that solely addresses sexual assault would provide long-overdue, focused leadership in advocating for sexual assault services. Such a section would be solely committed to working in partnership with sexual assault service providers to ensure high quality services for victims.

Your Committees have amended this measure by:

- (1) Conforming the title to request that DOH establish a violence prevention unit that includes sexual assault; and

- (2) Requesting a report to the Legislature outlining:
- (a) Programmatic and operational progress;
 - (b) Details of funding, services, and victim data;
 - (c) How the violence prevention unit is functioning; and
 - (d) Implementation and outcomes of items assigned to the Department of Health.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 43, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 43, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Tsutsui, Hogue).

SCRep. 3061 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on S.R. No. 18

The purpose of this measure is to express the support of the Legislature for the Spirit of Hawaii's goodwill and friendship mission in sailing up the Korean coast as well as to request the North Korean government to not only give its approval to this journey, but also provide assistance to the Spirit of Hawaii.

Two individuals testified in support of this Resolution.

Your Committees find that this Resolution reaffirms the Legislature's commitment and support for goodwill missions that promote and foster good relations between Hawaii and countries located throughout the Pacific Rim. The journey of the Spirit of Hawaii also coincides with the centennial celebration commemorating the arrival of the first Korean immigrants to Hawaii. As such, this mission symbolizes Hawaii's important and historic ties to the Korean peninsula.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 18 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (Baker, Ige, Ihara, Kanno, Whalen).

SCRep. 3062 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on S.C.R. No. 30

The purpose of this measure is to express the support of the Legislature for the Spirit of Hawaii's goodwill and friendship mission in sailing up the Korean coast as well as to request the North Korean government to not only give its approval to this journey, but also provide assistance to the Spirit of Hawaii.

Two individuals testified in support of this Concurrent Resolution.

Your Committees find that this Concurrent Resolution reaffirms the Legislature's commitment and support for goodwill missions that promote and foster good relations between Hawaii and countries located throughout the Pacific Rim. The journey of the Spirit of Hawaii also coincides with the centennial celebration commemorating the arrival of the first Korean immigrants to Hawaii. As such, this mission symbolizes Hawaii's important and historic ties to the Korean peninsula.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 30 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (Baker, Ige, Ihara, Kanno, Whalen).

SCRep. 3063 (Joint) Health and Commerce Consumer Protection and Housing on S.C.R. No. 37

The purpose of this measure is to request that the Auditor assess the social and financial effects of requiring health insurers to offer coverage for cognitive rehabilitation.

Testimony in support of this measure was received from the Disability and Communication Access Board, Hawaii Disability Rights Center, Hawaii Medical Service Association, Hawaii State Traumatic Brain Injury Advisory Board, and a traumatic brain injury survivor.

In 1991, a study completed by the Disability and Communication Access Board indicated that traumatic brain injuries are the leading killer and cause of disabilities in children and young adults. National statistics at that time indicated that two million head injuries occur each year in the United States, with an estimated 70,000 to 90,000 people sustaining life-long physical, intellectual, and

psychological disabilities. Your Committees find that despite the large amount of individuals suffering from traumatic brain injury, certain health plans may not even provide coverage for these injuries.

H.B. No. 2839, relating to mandatory health coverage for cognitive rehabilitation, was introduced this session.

A report from the Auditor is required under section 23-51, Hawaii Revised Statutes, and would be invaluable in providing basic information about the extent of the coverage necessary, specific health services that providers would cover, the target population to be covered, utilization of services, and standards of care.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 37 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Ige, Kim, Kokubun, Hogue).

SCRep. 3064 Commerce Consumer Protection and Housing on Gov. Msg. No. 180

Recommending that the Senate advise and consent to the nomination of the following:

CREDIT UNION ADVISORY BOARD

G.M. No. 180 TIMMY L. ALBAO, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of TIMMY L. ALBAO was received from the Hawaii Government Employees Association, Lihue Credit Union, and Hawaii Credit Union League. Mr. Albao, a certified public accountant for thirty-nine years, has been employed with the County of Kauai Department of Finance for the past thirty-two years. He currently serves as Chairman of the Board of the Lihue Credit Union, state President for Managerial and Confidential Employees Chapter of HGEA, and state representative for Government Finance Officers Association. Mr. Albao earned his Bachelor of Business Administration in accounting from the University of Denver. He has also volunteered his time with elderly affairs, housing and community affairs organizations.

Your Committee finds that Mr. Albao has served as an interim appointee for the past eight months and thus is very familiar with the mandates of the Credit Union Advisory Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 3065 Commerce Consumer Protection and Housing on Gov. Msg. No. 209

Recommending that the Senate advise and consent to the nomination of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 209 JAMES P. CHUNG, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of JAMES P. CHUNG was received from the International Union of Elevator Constructors, Local 126. Mr. Chung is a licensed elevator mechanic maintenance specialist with twenty-nine years of experience in the elevator industry. He was born and raised on Oahu. Mr. Chung is a Vietnam War veteran who received an honorable discharge from the United States Army.

Your Committee finds that Mr. Chung has completed one term as a member of the Elevator Mechanics Licensing Board and continues to serve on an interim basis. He is committed to ensure the protection of the general public and very familiar with the functions of the Elevator Mechanics Licensing Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 3066 Commerce Consumer Protection and Housing on Gov. Msg. Nos. 333, 334 and 335

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 333 FRANKLIN Y.P. LAU OD, for a term to expire 06-30-07;

G.M. No. 334 JERE HU ENG LOO OD, for a term to expire 06-30-07; and

G.M. No. 335 ERNEST K. OSHIRO OD, for a term to expire 06-30-07,

The Hawaii Optometric Association testified in support of all three nominees. Additionally, Dr. Lau's nomination was supported by an individual and Dr. Loo's nomination was supported by two individuals.

FRANKLIN Y.P. LAU, OD, earned a doctor of optometry degree from Southern California College of Optometry. Dr. Lau has held a Hawaii optometry license and operated a private optometry practice since 1983. The nominee served on the Optometry Therapeutic Pharmaceutical Formulary Advisory Committee and is currently vice chairperson of the Board of Examiners in Optometry.

JERE HU ENG LOO, OD, graduated in 1987 with a doctor of optometry degree from Southern California College of Optometry and is licensed to practice in Hawaii. Dr. Loo is engaged in the private practice of primary care optometry with special interests in contact lens care, low vision, and ocular disease.

ERNEST K. OSHIRO, OD, graduated in 1985 with a doctor of optometry degree from the University of California at Berkeley, and has practiced optometry for nineteen years. Dr. Oshiro is a member of the Hawaii Optometric Association and served as the organization's president from 1995 to 1996. The nominee is the current chairperson of the Board of Examiners in Optometry.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Record of votes for Jere Hu Eng Loo OD:
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

Signed by the Chair on behalf of the Committee.
Record of votes for all other nominees:
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 3067 Judiciary and Hawaiian Affairs on Jud. Com. No. 3

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE SECOND CIRCUIT

SIMONE C. POLAK

Upon review of the résumé, application for judicial office, letter from the nominee dated March 22, 2004, and testimony, your Committee finds that Simone C. Polak graduated summa cum laude with a BA and MA degree in criminal justice from the John Jay College of Criminal Justice at the City University of New York (CUNY). The nominee also received a JD degree from the McGeorge School of Law at the University of the Pacific. Since 1989, the nominee has been a member of the Hawaii State Bar Association and employed by the Maui County Prosecuting Office. She has also clerked at the American Civil Liberties Union (ACLU), a private law firm in California, and the Legal Services of Northern California.

Your Committee received testimony in support of the nominee from the Judiciary, State of Hawaii Organization of Police Officers in Maui County, Department of the Prosecuting Attorney for the City and County of Honolulu, County of Maui Police Department, Hawaii Women Lawyers, twenty attorneys, and twenty-six individuals. Testimony in opposition to the nominee was submitted by the Hawaii State Bar Association (HSBA). Comments were also submitted by the Department of the Attorney General, Office of the Public Defender, and two attorneys.

The Board of Directors of the HSBA reviewed the nominee's qualifications and solicited comments via a mass email from the HSBA membership. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate is asked to submit a résumé, respond to a questionnaire, and appears before the Board to answer questions.

The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, and public service, collegiality, and writing ability.

In applying these guidelines to the nominee, the HSBA Board found the nominee not qualified for the position of judge in the District Court of the Second Circuit. In rating this nominee, the HSBA Board found that the District Court of the Second Circuit has broad jurisdiction, hearing criminal, civil, and family cases, and the HSBA Board found that the nominee lacked adequate experience in the areas of substantive civil litigation and family law.

However, your Committee noted testimony regarding numerous judges, including judges from the Second Circuit, who were exemplary family court jurists, despite no previous family law experience before becoming a judge. Further, your Committee heard testimony from the Judiciary explaining the family-court training process for judges in the First Circuit. Specifically, each judge, regardless of prior family court experience goes through training classes, is given reference material, and is reviewed by other judges prior to hearing any cases. It was also articulated that per diem (temporary) family court judges appointed by the Chief Justice sometimes do not have any family court experience prior to their appointments, and they typically do not have any competency problems. In fact, your Committee heard testimony that Hawaii has a very well-respected family court system.

Your Committee further notes that HSBA guidelines provide that the HSBA Board shall take the position of “not qualified” when the candidate does not meet one or more of the following criteria for: integrity, judicial temperament, or professional competence. HSBA testified that the nominee meets the criteria for integrity and judicial temperament. However, when your Committee questioned the HSBA on whether the nominee lacked professional competence, the response was that she lacked the sufficient experience in civil litigation and family law.

Your Committee finds that there is a significant difference between “professional competence” and “substantive experience,” and your Committee believes that although the nominee may not have substantive experience in civil litigation and family law, she is nevertheless professionally competent.

As expressed in the past, you Committee finds that there may be some issues regarding the judicial candidate’s evaluation process performed by the HSBA Board. As such, you Committee believes that the recommendation made by the HSBA Board should not be given its full weight. Rather, the HSBA Board recommendation should be considered as one piece within the totality of all the testimony and comments offered.

Your Committee has reviewed all of the testimony submitted and heard testimony from those who were present. With the exception of the HSBA Board’s testimony and the testimony commenting on the HSBA Board’s review process, all of the testimony was in support of the nominee.

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3068 Commerce Consumer Protection and Housing on H.B. No. 1737

The purpose of this measure is to authorize an experience equivalency, for purposes of mortgage broker and solicitor licensure, based upon experience in selling mortgage loans solely through a wholly owned insured depository institution that is a subsidiary of an insurance company.

State Farm Insurance Companies and six individuals testified in support of this measure. The Department of Commerce and Consumer Affairs presented comments.

Under current law, one of the requirements for licensure as a mortgage broker or solicitor is two years of experience in financial transactions involving primary or subordinate mortgage financing, or equivalent experience as determined by the mortgage commissioner.

This measure allows a claim for experience equivalency by an insurance agent who offers or provides mortgage loans solely through a wholly owned banking subsidiary of the insurance company with whom the agent has an exclusive agency relationship. Your Committee finds that this equivalency exemption is consistent with the licensure exemption established in section 454-2(1), Hawaii Revised Statutes, for banks and other financial institutions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1737, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 3069 Commerce Consumer Protection and Housing on H.B. No. 2139

The purpose of this measure is to extend the current one and one-half percent minimum nonforfeiture rate for two years and establish an indexed rate to be phased in over the next two years.

The Department of Commerce and Consumer Affairs, the National Association of Insurance and Financial Advisors, the American Council of Life Insurers, and AIG VALIC and AIG Annuity submitted testimony in support of this measure.

Your Committee finds that volatility in the economic environment produced low interest rates and prompted the enactment of Act 210, Session Laws of Hawaii 2002, which temporarily reduced the minimum forfeiture interest rate for individual fixed annuity contracts from three percent to one and one-half percent for a two-year period. An earlier version of the Model Act also mandated a one and one-half percent minimum interest rate guarantee for determining the value of individual fixed annuity contracts. However, the Model Standard Nonforfeiture Law for Individual Deferred Annuities, which was adopted by the National Association of Insurance Commissioners, was updated in 2003 in order to phase out the one and one-half percent minimum interest rate.

Under the current law, the utilization of a minimum one and one-half percent interest rate will not apply to individual fixed annuity contracts issued after July 1, 2004. Instead the law will revert back to mandating a minimum three percent interest rate. However, the current interest rates continue to remain dramatically low. The return to the utilization of a three percent interest rate minimum will require life insurance providers to offer contract rates in excess of that which they can earn on their short-term investments. Such a requirement may prove crippling for many companies, which may also adversely impact the availability of short-term retirement annuities in the marketplace.

Therefore, your Committee determines that a long-term solution must be crafted to provide reasonable minimum nonforfeiture rates, in light of the current low interest rates, while at the same time protecting consumers. Your Committee believes that establishing a rate that is determined using the Five-Year Constant Maturity Treasury Rate, reduced by 125 base points, that is not less than one percent nor more than three percent, will ensure the availability of short-term retirement annuities for consumers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2139, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 3070 Commerce Consumer Protection and Housing on H.B. No. 2140

The purpose of this measure is to establish a continuing education requirement for pharmacist license renewal.

Testimony in support of this measure was received from the Board of Pharmacy, Department of Health, Kaiser Permanente, Hawaii Pharmacists Association, and Hawaii Medical Service Association.

In 2003, the Food and Drug Administration approved four hundred sixty-six new drugs. The dynamic nature of the pharmaceutical industry requires that pharmacists keep abreast of new developments in the profession and the industry, particularly with respect to new drugs and new drug therapies, and changes in the evidence-based use of drugs. Consumers depend upon pharmacists to be knowledgeable about the efficacious and safe use of prescription drugs and to monitor drug regimens for drug interactions, adverse drug effects, and contraindications.

This measure will help to ensure that pharmacists remain current in their professional knowledge and skills by requiring that pharmacist licensees complete thirty hours of continuing education each licensing biennium as a condition of license renewal. With the enactment of this measure, Hawaii will no longer be the only state in the nation without a continuing education requirement for pharmacist licensees.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2140, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2140, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 3071 Commerce Consumer Protection and Housing on H.B. No. 2147

The purpose of this measure is to adopt the revised version of Article 7 of the Uniform Commercial Code (UCC) relating to documents of title, and to make conforming amendments throughout the UCC.

The State Commission to Promote Uniform Legislation testified in support of this measure.

Your Committee finds that this measure's proposed revisions to Article 7 of the UCC are intended to provide a framework for the further development of electronic documents of title. This framework includes expanded definitions to recognize electronic documents of title, the extension of statute of fraud requirements to electronic records and signatures, provision for an electronic system of

transfer, and the preclusion of federal preemption issues by providing that Article 7 supersedes the federal Electronic Signature in Global and National Commerce Act, as permitted in that Act. Additionally, this measure updates the law consistent with state, federal, and international developments.

Your Committee further finds that Hawaii has consistently been in the forefront in adopting the articles of the UCC and their revisions, and that the approval of this measure is consistent with the State's goal of providing a business-friendly climate.

Your Committee has amended this measure to reflect preferred drafting style and to accurately reflect the language of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2147, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2147, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 3072 Commerce Consumer Protection and Housing on H.B. No. 2417

The purpose of this measure is to authorize the Real Estate Commission to enter into a license recognition agreement with another state or jurisdiction that is recognized by the Association of Real Estate License Law Officials (ARELLO) and whose real estate licensing law is equivalent to Hawaii's real estate licensing law.

The Real Estate Commission and Hawaii Association of Realtors testified in support of this measure.

Your Committee finds that, increasingly, real estate transactions are being conducted over the internet, fax, and telephone, and involve real property or real estate professionals situated in other states and countries. This measure will facilitate such transactions by allowing for the State's recognition of another jurisdiction's license, and for another jurisdiction's recognition of a Hawaii license, if the other jurisdiction's program is recognized by ARELLO and is equivalent to Hawaii's licensing program.

Your Committee further finds that thirty-eight states have entered into license recognition or reciprocity agreements, and the use of such agreements has resulted in greater cooperation, assistance, and exchange of information between the participating jurisdictions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2417, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 3073 Commerce Consumer Protection and Housing on H.B. No. 2418

The purpose of this measure is to clarify that an application for a professional or vocational license is deemed abandoned when an applicant fails to provide evidence of continued efforts to complete the licensing process for two years.

This measure also requires an applicant to reapply for licensure and comply with all applicable licensing requirements in order to obtain a valid professional or vocational license after an application is deemed abandoned.

The Department of Commerce and Consumer Affairs (DCCA) submitted testimony in support of this measure.

Currently, the DCCA has the authority to determine that an application for a professional or vocational license has been abandoned. Your Committee finds that some applicants fail to make any efforts to correct deficiencies in their applications within two-years after beginning the process. However, there have been occasions where applicants have challenged determinations of abandonment because the law does not explicitly require applicants to attempt to cure deficiencies in their applications prior to a determination of abandonment.

Your Committee determines that improved regulation of the licensing process will be achieved through clarification of the law with regard to the time limit for completing the licensing process, the requirements for curing a deficient application, and the procedure for reapplication after abandonment has been determined. As a result, such clarification provides a reasonable and definite time period within which an application must be completed and guidelines for determining what constitutes continued efforts to complete the licensing process.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2418, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 3074 Commerce Consumer Protection and Housing on H.B. No. 2421

The purpose of this measure is to enhance consumer protection by clarifying and strengthening the licensing requirements for private detectives and guards.

The State Board of Private Detectives and Guards (Board) testified in support of this measure.

This measure converts the current two-tiered licensing system to a single-tiered system by establishing a definition for a detective agency or guard agency "firm" that includes all business entity forms, including a sole proprietorship, regardless of whether the sole proprietor has employees. Under this proposed change, a sole proprietorship will be required to pay a single licensing fee as a firm, rather than having to pay multiple licensing fees as a principal and agency.

Additionally, this measure codifies current licensing policies and practices by:

- (1) Requiring a principal detective or guard to be an employee of the agency and to be responsible for the direct management and control of the agency, including the actions of employees;
- (2) Requiring a licensee to have a history of honesty, truthfulness, financial integrity, and fair dealing;
- (3) Clarifying the scope of the Board's disciplinary authority to include the denial, renewal, and reactivation of a license; and
- (4) Clarifying that an appeal of a license denial is subject to chapter 91, Hawaii Revised Statutes.

Your Committee has amended this measure:

- (1) To authorize the placement of a license on inactive status; and
- (2) By making technical, nonsubstantive amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2421, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 3075 Commerce Consumer Protection and Housing on H.B. No. 2423

The purpose of this measure is to allow a forfeited beauty operator or instructor license to be restored more than three years after it has lapsed, at the discretion of the Board of Barbering and Cosmetology (Board).

The Board submitted testimony in support of this measure.

Your Committee finds that under the current law, the Board regulates and oversees the barbering and cosmetology professions. Regulation of the licensing of these professions is currently inconsistent. Whereas a barber's license may be restored after the three-year period, the restoration of a beauty operator's or instructor's license may only be granted within three years after the license's lapse. As a result, a number of beauty operators and instructors have lost their licenses, thereby diminishing the public's choices for obtaining beauty services within the State.

Therefore, your Committee determines that parity should exist in the regulation of the barbering and cosmetology professions in order to provide equal opportunities to qualified individuals to remain licensed professionals in their respective fields. Such parity will allow the Board to restore a beauty operator's or instructor's license after the current three-year period based upon relevant criteria of its own determination.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2423, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 3076 (Joint) Commerce Consumer Protection and Housing and Health on S.C.R. No. 27

The purpose of this measure is to express the Legislature's support for federal legislation authorizing the importation of prescription drugs.

Testimony in support of this measure was submitted by an individual.

Your Committees find that many prescription drugs sold in the United States are available at lower prices abroad, but that federal law prohibits the importation of foreign-made versions of Food and Drug Administration-approved drugs, and the reimportation of drugs, except by drug manufacturers or if authorized by the Secretary of Health and Human Services (Secretary) for emergency medical care.

Your Committees further find that while the recently-enacted Medicare reform law mandates the Secretary to promulgate regulations permitting pharmacists and wholesalers to import prescription drugs from Canada into the United States and authorizes the Secretary to grant individual waivers of the importation prohibition, the law also requires that the Secretary first certify to the Congress that the regulations will pose no additional risk to the public's health and safety and will result in a significant reduction in the cost of drugs for consumers. Critics of the law charge that the safety certification is the "poison pill" of the drug importation provisions because no Health and Human Services Secretary, including the current Secretary, is likely to commit to guaranteeing the safety of imported drugs.

Your Committees further find that federal legislation has been proposed that would ease the requirements for the importation of prescription drugs. For instance, S.1992 establishes an eighteen-month deadline for the promulgation of importation regulations by the Secretary and repeals the safety certification prerequisite, and another bill authorizes the importation of prescription drugs from twenty-five industrialized countries, and not just from Canada. This measure expresses the Legislature's support for the passage of these measures which would provide more meaningful relief from the high cost of prescription drugs for Hawaii's consumers than existing federal law.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 27 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Ige, Kim, Kokubun, Hogue).

SCRep. 3077 Judiciary and Hawaiian Affairs on H.B. No. 2196

The purpose of this measure is to define criminal trespass to include knowingly entering or remaining on residential property abutting public recreational property after a reasonable request to leave by the owner or lawful occupant of the property.

Prior to holding a public hearing on this measure, a proposed S.D.1 was prepared and made available for public review. Specifically, the proposed language of this measure added provisions to:

- (1) Prohibit a person to enter or remain unlawfully in or upon the premises of a public housing project after a reasonable warning to leave by the housing authorities or the police, except that warnings would be unnecessary between 10:00 p.m. and 5:00 a.m.; and
- (2) Require the Housing and Community Development Corporation of Hawaii to adopt rules for specific conduct, location, time, and other limitations for the enforcement of the new provision.

Testimony in support of this measure was submitted by the Housing and Community Development Corporation of Hawaii, Hawaii County Police Department, and one hundred forty-six individuals. Testimony in opposition to this measure was submitted by the Honolulu Police Department and Affordable Housing and Homeless Alliance. Comments were submitted by the Office of the Public Defender.

Your Committee finds that numerous individuals are trespassing on private residential properties for recreational purposes. Many times these trespassers will use private residential properties to park their motor vehicles or will take or use personal property found on the private property. Your Committee finds that this measure will address these types of problems by making them criminal trespass in the second degree.

Your Committee also finds that public housing properties are treated like private residential properties and face similar problems with trespassers. Many times these trespassers loiter, vandalize, and abuse alcohol on public housing properties. Your Committee also believes that this measure will address this trespassing problem on public housing properties as well.

Your Committee adopted the amendments in the proposed S.D. 1 and has further amended the proposed version of the measure by removing the provision that makes warnings unnecessary between 10:00 p.m. and 5:00 a.m. Your Committee questioned the Housing and Community Development Corporation of Hawaii regarding the purpose of this provision; however, your Committee found the reasoning for this provision was inadequate and removed this exception from the measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2196, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2196, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ihara, Hogue).

SCRep. 3078 Judiciary and Hawaiian Affairs on H.B. No. 2375

The purpose of this measure is to make the knowing disposal of certain amounts of solid waste anywhere other than a permitted solid waste management system, without the written approval of the Department of Health, a class C felony.

Testimony in support of this measure was submitted by the Department of the Attorney General, Department of Health, Department of the Prosecuting Attorney for the City and County of Honolulu, Land Use Research Foundation of Hawaii, and the Hawaii Chapter

of the Sierra Club. Testimony in opposition to this measure was submitted by the Office of the Public Defender and Windward Ahupua`a Alliance.

Your Committee finds that illegal dumping of waste and rubbish has become a major problem for some parts of the State. Your Committee believes that increasing the penalty for illegally dumping large amounts of waste or repeated illegal dumping offenses sends a message to the community and will serve to deter future offenses.

Your Committee also noted concerns regarding sentencing for these offenses. Specifically, it was expressed that individuals found guilty of committing illegal dumping should be required to help clean up the environment as a part of their sentencing. Your Committee believes that this type of sentencing is appropriate and should be implemented whenever possible.

Your Committee has amended this measure by:

- (1) Creating a deferred prosecution agreement provision for first time offenders; and
- (2) Amending the effective date to "upon its approval."

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2375, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2375, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

SCRep. 3079 Judiciary and Hawaiian Affairs on H.B. No. 2378

The purpose of this measure is to clarify that all administratively attached boards and commissions are arms of the State of Hawaii and entitled to claim sovereign immunity to the same extent as the State itself.

Testimony in support of this measure was submitted by the Department of the Attorney General and the Hawaii Civil Rights Commission.

The State and its instrumentalities are immune from suit in federal court under the Eleventh Amendment to the United States Constitution. Recent litigation has analyzed the applicability of the Eleventh Amendment to boards and commissions. As a result of the litigation, variances were found in the descriptions for boards and commissions, as well as their powers and duties, that affect their entitlement to sovereign immunity.

Your Committee believes that this measure provides clarification that all administratively attached agencies are entities of the State and are covered by the state sovereign immunity, despite the variances in their powers or duties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2378, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 3080 Judiciary and Hawaiian Affairs on H.B. No. 2379

The purpose of this measure is to update Hawaii Rules of Evidence rules 701, 702, and 703 to reflect the current version of Federal Rules of Evidence rules 701, 702, and 703.

Testimony in support of this measure was submitted by the Department of the Attorney General, Fukunaga Matayoshi Hershey & Ching, and Robbins & Associates. Testimony in opposition to this measure was submitted by the Evidence Committee of the Judiciary, the Office of the Public Defender, and Consumer Lawyers of Hawaii.

The intent of your Committee is to adopt the federal standard for expert witness testimony set forth by the Supreme Court of the United States in *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993), and *Kumho Tire Co., Ltd. v. Carmichael*, 526 U.S. 137 (1999). In *Daubert*, the Supreme Court established four factors that clarify when expert scientific testimony is admissible. The *Daubert* court also established a gatekeeping requirement for trial courts that helps to ensure the reliability and relevancy of expert testimony. In *Kumho Tire*, the Supreme Court clarified that rule 702 applies to nonscientific, as well as scientific, expert testimony.

The Supreme Court of the State of Hawaii has declined to adopt the holdings in *Daubert* and *Kumho Tire*, in part because the Legislature has not adopted the April 17, 2000, amendments to the federal rules. See *State v. Vliet*, 95 Haw. 94, 105-10 (2001). The *Daubert* and *Kumho Tire* standards provide trial courts and legal practitioners with greater guidance regarding the admissibility of expert testimony under rule 702. Therefore, your Committee adopts these federal standards as part of the amendment to Hawaii Rules of Evidence rules 701 and 702.

Your Committee further believes that amendments to rule 703 is also necessary to clarify the relationship between rules 702 and 703. By making these amendments, your Committee finds that this measure should reduce confusion regarding the effect of an expert witness' reliance on otherwise inadmissible facts or data.

Your Committee has amended this measure by changing the effective date from July 1, 2020 to upon its approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2379, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2379, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 3081 Judiciary and Hawaiian Affairs on H.B. No. 2380

The purpose of this measure is to authorize immediate appeals from certain orders regarding injunctions and from denials of motions to dismiss based upon sovereign, absolute, or qualified immunity.

Testimony in support of this measure was submitted by the Department of the Attorney General. Testimony in opposition of this measure was submitted by the Consumer Lawyers of Hawaii.

Your Committee finds that currently there are no provisions that allow immediate appeals from orders granting or refusing preliminary injunctions. This measure would allow the circuit and land courts granting or denying preliminary injunctions to be subject to immediate appellate review.

Your Committee further finds that the State of Hawaii and its officials are protected by the doctrines of sovereign, absolute, and qualified immunity, in part to ensure that qualified individuals are not deterred from serving in governmental positions. Accordingly, it is important that claims of immunity are decided correctly and quickly to avoid subjecting these individuals to the tremendous burdens of litigation. Thus, your Committee finds that this measure will ensure that denials of motions seeking dismissal or judgment for the defendants on grounds of sovereign, absolute, or qualified immunity would be immediately appealable.

Your Committee further finds that this measure would make state court practices for appeals in preliminary injunctions and sovereign, absolute, or qualified immunities consistent with federal court practices.

Your Committee noted that the Consumer Lawyers of Hawaii (CLH) did not oppose immediate appellate reviews of circuit and land court decisions on preliminary injunctions. Rather, CLH only expressed concerns about the changes to the measure regarding sovereign immunity. Specifically, CLH had concerns regarding the State abusing the automatic appeal provision for sovereign immunity to hinder pending litigation. However, your Committee noted testimony from the Attorney General that this measure would not be used in that manner.

Your Committee adopted the changes suggested by the Department of the Attorney General by:

- (1) Adding a sentence to subsection (c) that restricts appeals from interlocutory orders of the district court to denials of motions or judgments based on a claim of immunity; and
- (2) Changing the “and” to “or” between subsections (c)(1) and (c)(2).

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2380, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2380, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 3082 Judiciary and Hawaiian Affairs on H.B. No. 2685

The purpose of this measure is to amend the offense of bail jumping from “intentionally” failing to appear to “knowingly” failing to appeal.

Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that despite the testimony in opposition to this measure, bail jumping is an offense that should not be overlooked. Your Committee further finds that the change from “intentionally” to “knowingly” failing to appear may deter individuals from missing their court dates and facilitate convictions for bail jumping.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2685, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 3083 Judiciary and Hawaiian Affairs on H.B. No. 2689

The purpose of this measure is to give the family and circuit courts concurrent jurisdiction over cases of aggravated harassment by stalking.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu.

Your Committee finds that it is common for an offense involving domestic violence to occur with a non-domestic violence offense in the same episode. However, the Penal Code provides that an individual shall not be subject to separate trials for multiple offenses based on the same conduct or arising from the same episode.

Due to this discrepancy, your Committee believes that this measure provides the family court and the circuit court with the proper jurisdiction to assure that offenses involving aggravated harassment by stalking can be charged together with other domestic abuse crimes from the same episode. Your Committee further believes that this measure ensures that both the technical integrity of the Penal Code is preserved and the ends of justice for domestic violence offenders are maintained.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2689, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 3084 (Joint) Judiciary and Hawaiian Affairs and Ways and Means on H.B. No. 2300

The purpose of this measure is to amend the Judiciary Appropriations Act of 2003 that provided funds for the operation and capital improvement costs for the Judiciary for the fiscal biennium July 1, 2003, through June 30, 2005.

Your Committees recognize the Judiciary's efforts to increase efficiency and cut costs due to the fiscal situation of the State. The Judiciary's supplemental budget request addressed critical areas in which current levels of funding have put unacceptable limitations on the services provided by the Judiciary to those seeking assistance from the courts. Your Committees also note that a number of items from last year's biennium budget request, which were not approved last year due to the shortage of state financial resources, were included in the supplemental budget request.

Through this amended measure, your Committees demonstrate their support of the Judiciary by approving \$3,046,178 of the Judiciary's supplemental budget requests, bringing the Judiciary's total budget for fiscal year 2004-2005 to \$120,755,129.

Your Committees find that a top priority of the 2004 Regular Session of the Legislature has been to address the State's crystal methamphetamine, or "ice", problem. The Joint House-Senate Task Force on Ice and Drug Abatement's final report, issued in January 2004, found that the solution to the ice epidemic is preventing future generations from substance abuse and curing the present generation of ice users. The report also concluded that the State's Drug Court program is an effective method of intervention and a good use of resources in lieu of incarceration.

In response to the pervasive use of crystal methamphetamine, your Committee on Ways and Means passed H.B. No. 2796, which provides \$1,472,419 for the expansion of Drug Court program on the neighbor islands of Maui and Hawaii. The Drug Court program has provided a cost-effective method of treating non-violent offenders and has freed up prison space in overcrowded correctional facilities for more dangerous criminals.

In the Second Judicial Circuit, your Committee on Ways and Means provided funding to help launch a Family Drug Court; this is representative of the Judiciary's intensified efforts to address child abuse, neglect, and domestic violence issues. In the Third Judicial Circuit, funding is provided to allow the Drug Court program to serve an additional twenty-five adults and sixteen juveniles.

Your Committee on Ways and Means also passed S.B. No. 3068, which continues funding for the Children's Justice Center's treatment of victims of intra-familial child abuse and juvenile sex offenders under the age of twelve.

To assist the Judiciary in carrying out its mission of administering justice in an impartial, efficient, and accessible manner in accordance with the law, your Committees have authorized funding to:

- (1) Provide guardians ad litem to represent children involved in child protective proceedings and legal counsel to represent indigent parties;
- (2) Complete the equipment requirements of the new Kauai Judiciary Complex, scheduled for completion during the last quarter of FY 2004-2005, to allow the Judiciary to enhance its level of service to the public and make a smooth transition to the new facility;
- (3) Increase security in the First and Second Judicial Circuits to help ensure the safety of judges, staff, and citizens requiring access to court facilities;
- (4) Enhance security at the Administrative Driver's License Revocation Office, where staff deal with potentially dangerous clientele; and
- (5) Complete Phase III of the Human Resources Management System Project to continue improvements to the personnel system.

In addition to the resources provided for the Judiciary's operating requirements, your Committees provided \$41,450,000 for capital improvements, including construction for the Hilo Judiciary Complex and improvements for the Juvenile Detention Home Facility.

As amended, your Committees believe that the measure provides sufficient funding to the Judiciary in the upcoming fiscal year so that it may continue to meet the judicial needs of the citizenry in a timely and compassionate manner.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2300, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2300, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, none. Excused, 7 (Fukunaga, Hooser, Ihara, Kanno, Sakamoto, Tsutsui, Hogue).

SCRep. 3085 (Majority) Ways and Means on H.B. No. 1800

The purpose of this measure is to amend the General Appropriations Act of 2003 (Act 200, Session Laws of Hawaii 2003), which appropriated funds for the operating expenses and capital improvement costs of the Executive Branch for the fiscal biennium from July 1, 2003, through June 30, 2005 (FB 2003-2005).

Overview

In December 2003, the Governor submitted to the Legislature a Supplemental Budget that set forth new spending limits for the Executive Branch for fiscal year 2004-2005 and beyond. As proposed by the Governor, including amendments requested on March 4, 2004, this Supplemental Budget increases annual state spending by approximately \$311 million in tax dollars and creates two hundred seventy-one more permanent government jobs. Of that amount, \$68.6 million are in new yearly general fund expenditures and 202.49 permanent positions are paid for by the same source. In addition, it includes approximately \$258 million in borrowed funds to conduct statewide capital improvement projects.

In total, these new appropriations bring Executive Branch expenditures to over \$7.9 billion dollars annually, or roughly a four per cent increase over the current fiscal year.

At the same time, the Governor also submitted to the Legislature her six-year general fund financial plan. At that time, the Governor was relying on revenue projections made by the State's Council on Revenues back in September 2003. The Council then had predicted tax revenue growth of 6.2 per cent for fiscal year 2003-2004 and 6.9 per cent for fiscal year 2004-2005. However, immediately after the submittal of the Supplemental Budget and the financial plan, the Council met again and on December 23, 2003, revised their revenue forecasts for those two fiscal years to 5.2 per cent and 7.9 per cent, respectively. This translated into a one-time drop of roughly \$30 million in tax revenue for fiscal year 2003-2004.

At a joint briefing before the Senate Committee on Ways and Means and the House Committee on Finance held on January 6, 2004, the Director of Finance outlined both the Governor's Supplemental Budget and six-year general fund financial plan. The Director explained that the Governor's Supplemental Budget reflected savings in debt service due to debt restructuring and anticipated savings in contributions to the Employers-Union Trust Fund. The Director of Finance also described increases in expenditures in the areas of public health, human services, and public safety. While the savings derived from the restructuring of debt service was to be significant for a few years, the public health, human services, and public safety increases amounted to roughly \$120 million in new general fund expenditures annually. The Governor's financial plan clearly demonstrated that total state general fund spending would outpace tax revenue collections for the current fiscal year and for the next two subsequent fiscal years.

In light of these facts, the Director of Finance outlined the four budgeting principles that this Administration adhered to in developing its spending plan. The Director of Finance stated, in part:

- (1) *The State must learn to live within its means. Since it is unlikely that we will have enough resources to do everything, working within a revenue constraint forces government to be clear about its priorities.*
- (2) *The budget should have structural balance. Our recurring revenues should match our recurring expenses to avoid a perpetual deficit position. We will need to realign the revenue and expense parameters from time to time to maintain an overall balance in the budget.*
- (3) *The budget should adhere to sound budgeting principles and its presentations should be clear and simple. We would like to see all funding requirements be put into the budget and thus minimize off-budget appropriations. This will allow for a more comprehensive evaluation of our resource allocation decisions.*
- (4) *We will strive to establish fiscal stability and reduce fiscal stress. We know from experience that, despite sound policy and best effort, budget shortfalls and fiscal crises can occur.*

Your Committee generally agrees with these principles and developed its own Supplemental Budget and six-year general fund financial plan based on these shared philosophies. Your Committee took into consideration many factors, including the ever-changing economic outlook of the State, the nation, and the budget strategies adopted by other states.

Council on Revenues

At their March 10, 2004, meeting, the Council retained its forecast of general fund tax revenues for fiscal year 2004-2005 and beyond. Part of the reason for the Council's unchanged outlook was due to factors that drive the economy, such as visitor arrivals, construction, real estate activity, and consumer spending -- and all appeared very strong.

Although the Council provided your Committee with relatively unchanged projections, your Committee could not ignore the extremely low tax collections received to date. While the economy appears to be growing rapidly, the cumulative growth rate in actual tax revenue collections was roughly three per cent, an uncertainty that troubles your Committee.

National Economy

The nation faced a number of economic problems over the past few years. The stock market decline from 2000 to 2003 was longer and steeper than a typical business cycle, corporate accounting scandals in 2002 shook investor confidence, the September 11, 2001 attacks, slow growth in other leading industrial nations, and the current War on Terror were all economic hurdles for the nation to overcome.

On the road to recovery, the national economy surged in the third quarter of 2003, indicated by real Gross Domestic Product growth climbing to an 8.3 per cent annual rate -- the fastest quarterly advance since 1983. It appears the fourth quarter will be robust as well. Nationwide, business and consumer spending is on the rise at nearly a 7 per cent annual rate in the third quarter, while federal government spending is in decline. Consumers focused on discretionary spending for new cars, as well as residential investment due to low mortgage rates. Residential investment rose to over 20 per cent in the third quarter, the fastest pace seen in a decade. Another strong growth indicator is the national unemployment rate. Unemployment fell from 6.3 per cent in June 2003 to 5.7 per cent in December 2003.

Budget Situations in Other States

Budget Shortfalls

Although most states expect to finish out the fiscal year with only one-tenth of the budget shortfalls they carried at this point last year, only thirty states report that they should end the year with a modest surplus. At the same time, some states are projecting more than \$35 billion in budget shortfalls for fiscal year 2004-2005. To fill these gaps, states have increased fees, tapped into rainy day funds, decreased government services, and have received some relief from federal action that provided \$10 billion for state Medicaid expenses and \$10 billion for other purposes.

Hawaii in Relation to Other States

According to the National Conference on State Legislatures (NCSL), including Hawaii, ten states: California, Colorado, Connecticut, Indiana, Kentucky, Montana, Nebraska, Oregon, and West Virginia have seen their fiscal health deteriorate since last November.

Seventeen states, Hawaii included, reported that medicaid or other health programs continue to exceed prior budgeted amounts. In addition, these states are facing another round of budget shortfalls.

Although budget shortfalls are less severe than in prior years, the shortfalls are occurring at a time when many states, including Hawaii, have already depleted reserves, exhausted one-time sources of funding, and imposed repeated budget reductions.

In total, sixteen states predict shortfalls above five per cent, with five having to resolve budget gaps above ten per cent. At least fifteen states are expected to consider tax increase proposals; nineteen states will examine gaming revenue proposals; and while a dozen other states will look at revenue generating measures such as changing tax due dates, imposing surcharges, or raising fees to survive, Hawaii does not seem to be headed in these directions.

Federal Assistance

Your Committee notes that it appears to be the practice of this Administration to rely heavily on funding from the Federal government for on-going programs. Your Committee agreed to allow the Governor the flexibility to continue this practice, but has done so with caution for the following reasons:

- (1) Establishing on-going programs with short-term federal grants may commit state funds for their continuation in the near future. As federal dollars dry up, the State will have to provide the difference;
- (2) Spending federal funds still constitutes spending taxpayer dollars. While Hawaii residents may benefit from a disproportionate share of federal assistance, promoting the increased expenditure of tax dollars contributes to the growing federal deficit;
- (3) The changing atmosphere in Congress and the White House, in light of the concern for the federal deficit, may result in sudden changes in federal assistance that may cause disruption to state services; and
- (4) Relying on short-term, unreliable sources of revenue appears to be in contravention of this Administration's aforementioned budget planning principles.

Senate Approach

Your Committee examined every request contained in the Governor's Supplemental Budget thoroughly and conscientiously. However, contrary to the Governor's Supplemental Budget, the Senate's draft reflects a lower level of spending increases and a reduction to the Executive Branch workforce. In total, the Senate Draft of this measure restricts total increases to Executive Branch spending to \$270 million a year versus \$311 million proposed by the Governor. Of that amount, general fund expenditures increase by only \$32.6 million a year.

Also a notable difference in the Senate's Supplemental Budget is a reduction to the Executive Branch workforce by over six hundred fifteen permanent positions. These positions are from selected departments that, in most instances, have been kept vacant for six months or longer. Previous legislatures have promoted the concept of reducing recurring costs by attrition -- in other words, not filling positions vacated for reasons of retirement, firing, or any other type of separation. Eliminating these positions and their concomitant funding helps to formally realize savings that have occurred due to attrition.

Your Committee also spent a great deal of time reviewing the outpatient and inpatient funding requests in two crucial areas: adult mental health programs and the Hawaii Health Systems Corporation. Your Committee would like to explain its actions in these areas in detail.

Adult Mental Health

Since 1991, the State of Hawaii has been under a Settlement Agreement with the United States District Court to comply with various stipulations and orders that include the Hawaii State Hospital (HSH) Remedial Plan for Compliance. The HSH Remedial Plan for Compliance was made an order of the court on February 22, 2002. On January 23, 2003, federal Chief District Judge David Ezra accepted the Community Plan under an order of the court. This Community Plan was designed to ensure appropriate community services for individuals discharged, transferred, or diverted from the Hawaii State Hospital, and for individuals at risk of hospitalization at the Hawaii State Hospital.

The supplemental budget request for the Adult Mental Health Division's (AMHD) outpatient program for fiscal year 2004-2005 included fifty-four new permanent positions and \$2.49 million in general funds for the various statewide Community Mental Health Centers (CMHC) due to caseload increases. This request further provided for contracted services to patients as required by the court-ordered Community Plan. In addition, the AMHD's outpatient program request included converting seventy-nine temporary positions to permanent status and \$11.98 million in general funds for additional purchase of services contracts.

Your Committee affirms its support and commitment to the mentally ill population by providing \$1.75 million for fifty-four temporary positions. During your Committee's fact-finding phase, the AMHD acknowledged that the original funding request was not required due to the length of time required to establish and fill some of these positions. With the assistance and consultation from the AMHD, on a case-by-case basis, your Committee provided funding for all the requested positions based on a phased-in period for these positions over the next fiscal year. Your Committee noted that the AMHD further acknowledged that due to the difficulty in hiring some of the positions, these positions would be filled on a basis exempt from civil service laws. As such, your Committee recommended that these new fifty-four positions remain on a temporary basis until such time when the AMHD is able to determine that these positions should be converted.

Your Committee did not approve the conversion of the seventy-nine temporary positions to permanent status due to the exempt nature under which these positions are being established and filled.

With regard to the purchase of service contracts, due to the lack of data and justification for several of these contracts, your Committee reduced the Governor's \$11.9 million request by \$3.5 million. Your Committee believes that the \$3.5 million reduction should not impact the level of services provided, since these outpatient services are already being provided under the current fiscal year for the amount to which your Committee has reduced the budget request.

The increased demand for additional bed space to accommodate patients being transferred or diverted from the Hawaii State Hospital (HSH) resulted in the AMHD's inpatient program request for \$4.03 million in fiscal year 2004-2005 to accommodate the overflow of patients at HSH. This request provides for a purchase of service contract for additional replacement beds at Kahi Mohala, a private psychiatric facility. The AMHD further requested the conversion of sixty-six temporary positions to permanent status for the HSH to meet its staffing ratios as required by the federally imposed Remedial Plan for Compliance. Your Committee, after carefully reviewing the request, saw fit to provide the AMHD with full funding of \$4.03 million for the Kahi Mohala contract and the conversion of the sixty-six temporary positions to permanent status.

Hawaii Health Systems Corporation

The supplemental budget request for the Hawaii Health Systems Corporation (HHSC) for fiscal year 2004-2005 is a carryover from the 2003 legislative session. Last year, your Committee grappled with the HHSC's biennium budget request of a \$31.2 million general fund subsidy for each year of the fiscal biennium and determined that the HHSC could not adequately justify the need for such a request. Your Committee was frustrated by the HHSC's lack of clarity in explaining the purpose for which the funds were to be used. During its fact-finding, your Committee questioned some of the HHSC's procurement practices. In several instances, the HHSC was found to have paid for high-priced independent contractors for services that lower paid employees also perform. These poor procurement practices result in higher general fund subsidies that are borne by taxpayers. The State Auditor substantiated these concerns in its recent report to the 2004 Legislature. The Auditor's findings cited the HHSC's deficient procurement management practices, stating that the HHSC's lenient policies and a lack of oversight in facilitating discretionary contracts led to abuses and millions of dollars awarded in non-bid contracts.

At the close of last year's legislative session, the Legislature granted the \$31.2 million general fund subsidy for only the first year of the fiscal biennium 2003-2005. Subsequently, the Governor accused the Legislature of submitting an unbalanced budget as a result of providing the HHSC with only a one-year subsidy. However, your Committee reiterates that providing the HHSC with only a one-year subsidy was an intentional fiscal decision because the Legislature did not receive satisfactory answers to many of their questions. In effect, this forced the HHSC to return during the 2004 legislative session and, quite simply, provide better answers -- answers that the Legislature and the general public deserve. By no means should the Legislature's actions be construed as irresponsible budgeting. On the contrary, the public expects this Legislature, the Board of the HHSC, as well as the Governor, to carry out their fiduciary oversight responsibilities to the fullest and to ensure that public funds are spent efficiently and effectively.

In scrutinizing the general fund subsidy request of \$31.2 million for fiscal year 2004-2005, your Committee encountered similar frustrations. Your Committee asked the Department of Budget and Finance to explain how they, the fiscal watchdog of the Executive Branch, arrived at the \$31.2 million figure -- especially since the HHSC's original budget submittal to the Governor was for a \$44.6 million general fund subsidy. In fact, the HHSC insists that it can fully justify a need for a \$44.6 million general fund subsidy. Your Committee finds it curious that, while the Governor has accused the Legislature of under-budgeting the HHSC, the Governor herself, at least by HHSC's account, has apparently short-changed them by at least \$13.4 million. Regardless of this fact, the Department of Budget and Finance did not provide clear and useful answers to your Committee. Moreover, the Department of Budget and Finance acknowledged the difficulty in estimating the HHSC's general fund needs. So instead of gaining more clarity on this issue, your Committee was left to ask itself, "How much of a general fund subsidy is enough for the HHSC?"

Your Committee therefore decided to take a step back and review the situation on a macro level.

Established by the Legislature through Act 262, Session Laws of Hawaii 1996, the HHSC was created to assume the responsibility of the former Division of Community Hospitals under the Department of Health. At the heart of the creation of the HHSC was the fact that rapid changes were taking place in the health care industry. With the impending implementation of national and local health care reform, the Legislature acknowledged that an administrative structure of governance needed to be put in place to, among other things, "free the facilities from unwarranted bureaucratic oversight."

However, the HHSC was not given complete autonomy in the truest sense of the word. While the HHSC was granted administrative flexibility and many generous management tools, certain state laws handcuffed the HHSC from gaining full fiscal autonomy and impeded its ability to attain long-term solvency. Today, the HHSC still continues to be affected by mandates such as collective bargaining for certain employees and restrictive personnel rules. In addition, the HHSC is also the only community hospital in the United States that is ineligible for Medicaid Disproportionate Share Hospital (DSH) payments to help offset the high costs and low reimbursements. Under these circumstances, your Committee acknowledges that it would be unrealistic to assert that the HHSC should be self-sufficient and concludes that continual general fund subsidies to the HHSC are inevitable.

Your Committee believes that a review of the HHSC's current structure of governance is also warranted. Unless statutory changes are made and the HHSC improves its fiscal policies and management, the State will have to accept that general fund subsidies exceeding \$40 to \$50 million or more annually should be anticipated. Your Committee further believes that the increasing need for such hefty general fund subsidies will be exacerbated by the ever-decreasing rate of reimbursements from government payers such as medicare, medicaid, and QUEST payments.

Your Committee also could not help but take notice of how the HHSC responded to the House Finance Committee's proposed \$11.2 million reduction to the HHSC's fiscal year 2004-2005 subsidy request. What was apparent, especially in the many form letters and petitions received, was that the community-at-large was led to believe that "life or death" hung in the balance with this \$11.2 million reduction. Your Committee finds that scaring the public with threats of possible death is horribly irresponsible. Your Committee is unable to dismiss these actions undertaken by the HHSC and warns the HHSC against using fear and intimidation to solicit the public support in the future.

Still, your Committee thoughtfully considered the need for this general fund subsidy in what it believes to be the right context. Your Committee chose to temporarily set aside the HHSC's weak justification for the \$31.2 million general fund subsidy, ignore the rhetoric, and quiet the fears of death or undue harm. Instead, it came to its decision by weighing what is uncertain against known facts. What remains uncertain is the true need for a \$31.2 million general fund subsidy. But what remains clear is that the HHSC, specifically because of its operational structures mandated by law, legitimately requires a general fund subsidy to remain solvent. At this time, your Committee feels that it should provide the full \$31.2 million general fund subsidy to the HHSC. Unfortunately, what should have been a simple exercise in budget analysis has turned into a two-year public relations battle. Furthermore, your Committee still remains uncertain of the legitimacy of the true level of general fund needs for the HHSC now and in the future.

Finally, your Committee has on-going questions on HHSC's rising corporate expenses. Your Committee notes that, from fiscal year 1998-1999 to fiscal year 2003-2004, corporate office expenses increased from \$7.9 million to nearly \$13 million, while salaries and wages increased from \$2.8 million to \$5.7 million during the same period. Interestingly, your Committee was informed that, while the HHSC expressed its concerns over the \$11.2 million House Finance reduction, the HHSC saw fit to provide a few of its employees under its corporate structure with salary increases during this time.

Your Committee believes that all these concerns raised in this report are symptomatic of a larger problem within the HHSC. Your Committee also believes that many of these issues raised by the community and members of the Legislature are valid and need to be addressed. Your Committee wishes to acknowledge that the executives of the HHSC have recently made a good start in opening better channels of communication to address some of these concerns. Your Committee also recognizes the recent efforts made by the HHSC management to be forthright and open during its legislative fact-finding phase and your Committee appreciates the HHSC's efforts. Your Committee would especially like to acknowledge the dedication and hard work of those at the front line at our hospitals -- the doctors, nurses, and other staff.

Your Committee therefore recommends that the Legislature and executives of the HHSC, along with HHSC's board members, open a dialogue to resolve the issues and to develop a viable plan of action to lessen the HHSC's dependence on an annual general fund subsidy. Both the Legislature and executives of the HHSC should approach this open dialogue with a "clean slate". Specifically, your Committee recommends establishing an ad-hoc committee comprised of HHSC management, employees, clients, and legislators, to develop a plan of action to empower the HHSC with incremental increases of autonomy. With this increased autonomy, the reliance on large general fund subsidies should concurrently decrease, if not stabilize. Your Committee believes that providing a "cap" to the level of general fund subsidies should provide an incentive to the HHSC to increase the HHSC's revenue stream.

Collective Bargaining

On March 25, 2004, the Governor, jointly with the President of the University of Hawaii (UH), members of the UH Board of Regents, and the University of Hawaii Professional Assembly (UHPA) announced that it had reached an unprecedented six-year collective bargaining contract between the State and UH professors. Among other things, the contract provided for pay increases equating to raises of over thirty-four per cent over the next six years, with the cost borne entirely by the State for the first three years, and then split between the State and UH over the last three. Total obligations will be \$124 million to the State and \$39 million to UH. Pending ratification, state law requires that this contract will only become valid when the Legislature appropriates the necessary funds to pay for these new cost items. Your Committee raises several concerns due to this agreement:

- (1) For UH to pay for the last three years of the contract, tuition for students may have to be increased;
- (2) The contract can only be effectuated in two-year increments, as the Legislature as well as the Governor, can only approve funds on a biennial basis. This also means that the fifth and sixth years of the contract, the years containing the highest salary increases, must be funded with appropriations requested by a Governor not yet elected;
- (3) The Governor stated that the funding required for these raises would not be paid for by increasing taxes nor cutting services, but by "growing the economy." Unless this Committee has not been informed of any specific legislation proposed by the Governor that expands the economy, it believes that the Governor must rely on the current economic projections of the Council on Revenues to base all future spending. The Governor's current general fund financial plan does not account for the new costs of the UHPA contract. Further, if the contract costs are factored into the existing plan, it would exceed expected revenues. Your Committee believes this to be a violation of Article VII, section 7 of the Hawaii State Constitution; and
- (4) The position of the State in collective bargaining for other unions has been that it could not afford any pay increases. In the Governor's six-year general fund financial plan, the Governor substantiates this by demonstrating that almost all of the State's resources must be used for costs other than pay raises, while maintaining a reasonable annual ending balance. Your Committee wonders how is the Governor now able to afford \$124 million for this union?

Your Committee feels that the Governor's actions in negotiating and finalizing the UHPA contract violate the Governor's own budget planning tenets.

On Monday, March 29, 2004, a three-member arbitration panel announced its final and binding decision on the two-year contract for six of the seven bargaining units represented by the Hawaii Government Employees Association (HGEA). The fiscal impact of the decision will cost the State \$33 million in general funds for fiscal year 2004-2005.

Much has been said about the Legislature's reauthorization of final and binding arbitration for the majority of public employees. Your Committee believes that the use of arbitration as a means to resolve negotiation impasses is in the best interest of the State, its workers, and the general public.

But what your Committee finds disturbing is that the Director of Finance and the State's Chief Negotiator, on separate occasions, have both characterized negotiations with the HGEA as a "card game". This could imply that the Administration may not be bargaining in good faith. Again, the act of the Administration suddenly agreeing to spend \$124 million with one union, which it states it did not have before, but continuing to argue that it cannot afford to pay anything to another union, brings into question the integrity of the Administration in all its collective bargaining negotiations. Your Committee notes that regardless of the various forms of impasse relief that the collective bargaining law provides, it is important to stress that no one method is designed to "stack the hand" of one party over another. Your Committee believes that a UH Regent, a key advisor and campaign consultant to the Governor who was involved in negotiating UHPA's latest contract, made a very poignant statement when the Regent was quoted as follows:

I think we went into this with the spirit of not what can we get away with, how little can we get away with, but ... how far can we move toward our goal of paying our faculty the kinds of salaries that they deserve.

Your Committee believes that this spirit should be embraced for all public sector collective bargaining negotiations and that all public sector bargaining units should be treated equally.

Salary Commissions

During the course of this legislative session, the Legislature has been given the reports of three separate salary commissions -- those for certain executives of the Executive Branch, for judges, and the Trustees of the Office of Hawaiian Affairs. As of this report, your Committee was still considering the proposed pay raises made by all three panels. It would like to note however, that the Director of Finance stated that if the Legislature were to approve the pay increases for the Executive Branch, those increases would be silently absorbed by existing operating budgets -- thereby violating the Governor's aforementioned budgeting principles.

Budget Highlights

Department of Land and Natural Resources

Your Committee shares the concerns of the Governor regarding the control and entry of any invasive species into the State. In response to various threats such as the Coqui frog and *Salvinia molesta*, the 2003 Legislature established the Hawaii Invasive Species Council (HISC). The HISC was charged with protecting against threats to Hawaii's economy, natural environment, and to the health and lifestyle of Hawaii's people. To show its full support in combating invasive species, your Committee agreed with the Governor's request and provided \$5,000,000 for fiscal year 2004-2005, subject to matching with non-state funds.

Capital Improvement Projects

Hawaii's state parks are a resource for residents and tourists alike, offering educational opportunities, as well as a diversity of exotic coastal and inland experiences. As such, your Committee believes an investment in Hawaii's state park system is prudent.

To this end, your Committee is providing \$14 million for improvements to state parks to enhance park users' experience of Hawaii's special environment and to allow them to learn more about its unique history. Hawaii's state parks not only directly benefit the people of Hawaii through the direct use of the parks, but also serve as an economic development tool by providing a natural attraction for visitors to our islands.

University of Hawaii

In keeping with the vision of a creating a world-class institution of higher learning, your Committee approved the funds requested by the University of Hawaii (UH) to meet its near-term objectives. The approximately \$4.7 million in general funds provided in this measure will allow the UH to establish a creative media program, open the new Kakaako campus of the John A. Burns School of Medicine, the new Health Sciences Library, and expand the apprenticeship training program at the community colleges.

The UH has been very fortunate to acquire the talents of Mr. Chris Lee, a former executive of a major motion picture studio. With his vision, the UH has already begun to provide a new and very exiting curriculum of digital film making. Mr. Lee's program has already aroused the interests of many students as well as seasoned professionals in the industry. Funds provided in this measure would help to formally establish this worthy, fledgling program.

With the UH's construction of the new campus at Kakaako proceeding as scheduled, your Committee appropriated \$3.5 million in general funds to open and operate the UH's John A. Burns School of Medicine and the new Health Sciences Library.

Your Committee has also appropriated \$369,000 in general funds to expand the apprenticeship training program offered at community colleges. This successful program increases the pool of apprentices for the Pearl Harbor Shipyard, as well as of skilled workers in the construction industry.

Capital Improvement Projects

In order to enhance the learning environment for students at University of Hawaii campuses, your Committee approved \$25 million for the repair, upgrade, and improvement of UH facilities and infrastructure. In addition, your Committee approved \$2.5 million for other high priority health and safety projects, as requested by the UH Board of Regents, but left out of the Executive's budget recommendations. Moreover, your Committee has approved \$17 million for other various projects to improve the University of Hawaii system.

Department of Human Services*Compacts of Free Association*

Under the Reagan Administration, the United States entered into the Compact of Free Association with the Federated States of Micronesia (Compact). The Compact promised financial assistance to states providing services to citizens of this economically depressed region of the Pacific for a period spanning 1986 through 2001. Reauthorized by Congress in December 2003, the new Compact allocated \$10.6 million to Hawaii for the next twenty years. These funds are intended to help the defray the costs incurred by the State for providing services to the citizens of the Federated States of Micronesia in areas such as health, public safety, education, social services, or related infrastructure costs. However, to obtain these funds, the State must first submit a written implementation plan to the United States Department of the Interior. Your Committee notes that to date, the Governor has not submitted such a plan. While the Governor requested \$7.3 million in general funds to support programs providing assistance to citizens of Micronesia temporarily located in Hawaii, your Committee believes that federal funds in an equal or greater amount are available.

Foster Care

Your Committee affirms the obligation of the State to protect abused and neglected children. These children have the right to live in a safe home that provides adequate care and supervision, as well as basic living essentials, such as clothing, transportation to school, and medical care. Therefore, your Committee agrees with the Department of Human Services' request for \$3.6 million in general funds for foster care payments for approximately seven hundred children.

The Chore Program

Hawaii's rapidly aging disabled adult population is entitled to basic health services. The chore program provides these adults with in-home and community-based social, health, and protective services. Providing these types of services in the home is a more

compassionate, less expensive alternative to institutionalization. Your Committee agrees with the Governor and has provided \$767,850 in general funds to care for one hundred fifty individuals seeking chore services. Your Committee also allocated \$200,000 in Emergency and Budget Reserve funds in S.B. No. 3068, S.D. 2, to ensure that an additional forty recipients will be provided in-home services. The supplemental request funds will be earmarked for the following specific services: in-home nursing facility level care, in-home companionship, grandparenting, crisis intervention, and community-based initiatives.

Residential Alternatives Community Care

The Residential Alternatives Community Care (RACC) Medicaid program, established in 1983, provides home and community-based medical care services to persons with disabilities and chronic illnesses as an alternative to institutionalization. From fiscal year 1998-1999 to fiscal year 2001-2002, the RACC program has grown almost three hundred per cent. RACC will serve roughly eight hundred individuals this fiscal year and projects that it can serve roughly an additional seventy-four more in the upcoming fiscal year. Your Committee has provided \$500,000 in general funds to place approximately seventy-seven individuals in community-based licensed residential facilities. An additional \$1 million in Emergency and Budget and Reserve funds is allocated in S.B. No. 3068, S.D. 2, to place an additional sixty-three individuals.

Medically Uninsured

Your Committee acknowledges the increasing number of uninsured childless adults and children who meet eligibility requirements for QUEST within the State. Your Committee finds that there are close to fourteen thousand uninsured children in the State. Your Committee believes that in this, the 21st century, the idea of individuals, specifically children, without health insurance is intolerable. Your Committee concurs with the Governor's proposal to provide the QUEST program with an additional \$4.6 million in general funds to target eligible childless adults and children who lack adequate health insurance. These funds will provide health care services for roughly seven thousand individuals who currently lack medical coverage. Your Committee also agrees that insuring children is a cost-effective approach to stave off future medical costs borne by community health centers and emergency hospitals. Moreover, your Committee notes that insuring children, as described in the 2003 Coverage Report from the Hawaii Uninsured Project, contributes to better school performances, less serious illnesses, and a better-educated Hawaii workforce.

Department of Public Safety

The Department of Public Safety's supplemental budget request for fiscal year 2004-2005 focused on the health and safety of those "inside and outside the fence".

Of paramount concern is the need to address overcrowding conditions within the correctional facilities, improving the physical condition of existing facilities, as well as the need to rehabilitate inmates before their release back into the communities. These challenges faced by the Department of Public Safety are well documented, and your Committee acknowledges the plight faced by the Department, given the State's limited fiscal resources.

Toward this end, your Committee provided \$4.5 million in general funds for the transfer of additional inmates to out-of-state facilities and to the Federal Detention Center on Oahu. Your Committee also provided \$1.25 million in general funds for increases in the basic daily costs for inmates already housed at out-of-state facilities and at the Federal Detention Center on Oahu. The transfer of inmates to out-of-state correctional facilities is one of the ways the Department of Public Safety is addressing the overcrowded conditions in our state correctional facilities. Current contracts with out-of-state correctional facilities require a basic daily fee increase of 2.5 per cent or by the percentage change in the Consumer Price Index for Urban Consumers, whichever is greater, each year. The contract to house Hawaii inmates in the federal Detention Center in Honolulu also specifies an increase by about 2.25 per cent each year for basic daily fees. Your Committee notes that the current contract with Corrections Corporation of America to house inmates in Arizona will expire on June 2004, and negotiations are currently underway between the Department of Public Safety and Corrections Corporation of America. The product of these negotiations will determine whether the State will realize savings on its future contracts.

In addition, your Committee provided \$1.09 million in general funds for the operating costs of eight permanent new parole officers, six permanent new deputy sheriff positions, and the establishment of a new Inmate Release Unit.

Currently, the Hawaii Paroling Authority supervises approximately two thousand five hundred offenders daily. Of these, three hundred thirty-two require intensive supervision. For the Intensive Supervision Unit, the average caseload for parole officers is about fifty-five cases, while the national standard is thirty cases. For general caseloads, the average per parole officer is one hundred forty cases while the national standard is sixty-five cases. Your Committee has approved over \$400,000 in general funds to create eight new parole officer positions.

Your Committee also provided \$267,000 in general funds and authorized the creation of six new permanent deputy sheriff positions to provide needed security due to the expansion of the Kauai Circuit Court.

Your Committee provided \$426,695 in general funds and authorized eight new permanent positions for the establishment of an Inmate Release Unit. The Inmate Release Unit has been created in response to a court settlement agreement that ensures all that all offenders under the care and custody of the Department of Public Safety are released in a timely manner in strict accordance with applicable court orders.

Finally, your Committee further provided \$430,000 in general funds for service programs for parolees. Of that amount, \$30,000 will be spent for sex offender treatment services and \$60,000 for transition skills and job development services. The additional \$340,000 will go towards substance abuse services, including clinical assessments, individual and group counseling, and alcohol and other drug education.

Senate Priorities

Your Committee believes that there were many areas of importance that the Governor failed to address in the Governor's spending plan. Some of these important areas are as follows.

Improving Our Public Education System

Your Committee's version of the budget, as well as S.B. No. 3238, S.D. 1, and H.B. No. 2004, H.D. 2, S.D. 1, contain appropriations and statutory provisions that will help the Department of Education improve student achievement. In a first ever State of Public Education address before a joint session of this Legislature, Superintendent of Education Pat Hamamoto admitted that Hawaii's public education system "is not working as it should". However, the Superintendent also stressed that some of the ways to "reinvent our schools" include empowering school principals and holding them accountable, adopting the weighted student formula funding plan, providing parents and children with user-friendly feedback, and giving the Superintendent the "tools and the space to do the job".

Your Committee, in conjunction with your Senate Committee on Education, believes that it has effectuated those recommendations through these measures. Among other things, these bills provide:

- (1) \$7.3 million in additional funds for Charter Schools;
- (2) Over \$500,000 for teachers to prepare for and be compensated for attaining National Board Certification;
- (3) \$3.9 million to convert all principals to a twelve month salary schedule;
- (4) \$1.5 million to help implement the federal No Child Left Behind Act reporting requirements;
- (5) \$2.2 million to reduce class sizes;
- (6) \$2.6 million to hire teacher's aides for third grade classes;
- (7) \$1.7 million to assist the Parent-Community Network Centers;
- (8) \$2 million for new textbooks; and
- (9) Over \$350,000 for school athletic programs.

Your Committee finds that the State of Hawaii is responsible for a school system serving over 180,000 students and is tasked with the mission of making quality education available to all of Hawaii's children. Your Committee recognizes that facilities provide the centerpiece around which all educational activities exist.

The majority of capital expenditures your Committee provides invest directly in the State's educational infrastructure. Your Committee approved an additional \$145 million for deposit to the State Educational Facilities Improvement Special Fund. Of these funds, \$45 million is for the construction of new school facilities and for the improvement and upgrade of existing public school facilities.

Another \$100 million is for major repairs to protect the structural integrity and aesthetics of school buildings by making aggressive improvements to the State's school infrastructural system, thereby enhancing the environment in which Hawaii's children will learn. Of this amount, \$7 million of previously authorized funds are being transferred from the Department of Accounting and General Services to the Department of Education. Your Committee has also approved an additional \$93 million to supplement this amount. This reassignment of funds will improve the overall accountability for the school repair program by the Department of Education.

Ridding Crystal Methamphetamine From Our Neighborhoods

At the close of the 2003 Regular Session, the Senate President and the Speaker of the House formed the Joint House-Senate Task Force on Ice and Drug Abatement in recognition of the need to address issues relating to the manufacture, sale, and use of crystal methamphetamine, commonly known as "ice". After conducting numerous hearings, listening to the testimony of hundreds of individuals, and conducting in-person site visits, the Task Force recommended that the 2004 Regular Session of the Legislature address the problem of combating "ice" with the following:

- (1) Treat the addicted and protect against the spread of the addiction;
- (2) Promote early intervention and treatment of adolescents;
- (3) Provide alternative activities for our youth;
- (4) Coordinate community, government, and law enforcement efforts;
- (5) Provide treatment for adults, especially women of child bearing age, pregnant women, and parents of young children;
- (6) Provide counseling services for families of ice users;

- (7) Provide treatment for first time, nonviolent drug offenders as an alternative to incarceration;
- (8) Expand the State's Drug Court program;
- (9) Partner with the business community to provide drug education, awareness, and treatment to employees; and
- (10) Protect Hawaii's environment against further damage caused by the manufacture or conversion of "ice."

As demonstrated by the findings of the Joint Task Force, our communities have spoken loudly and clearly on this issue, and they need the State's help now. Your Committee believes that in order to successfully combat the ice problem, the State needs to address all aspects of this drug crisis: treatment for those already on ice, preventing people from starting, and cracking down on those who make, import, and sell ice. Your Committee fully understands that a comprehensive and successful solution to the ice epidemic will require more than a "lock them up and throw away the key mentality". Inevitably, your Committee finds that more resources are needed to combat this statewide crisis.

Your Committee, in conjunction with the Senate Committee on Judiciary and Hawaiian Affairs, sought to effectuate the recommendations of the Joint House-Senate Task Force by providing appropriations and statutory amendments that are contained in S.B. No. 3233, S.D. 1, S.B. No. 3234, S.D. 1, H.B. No. 2003, H.D. 1, S.D. 1, and H.B. No. 2004, H.D. 1, S.D. 1. In total, your Committees provided for over \$17 million in appropriations, tax credits, and capital improvement projects to implement the recommendations of the Task Force.

Health and Human Services Programs

Your Committee believes that those in most need of government assistance are still being neglected. Most notably, the State's community health centers -- usually the only health care facilities for Hawaii's most rural areas -- are under continual fiscal distress. While much has been said about the funding shortage of the Hawaii Health Systems Corporation, operating subsidies for the State's community health centers were excluded in the Governor's Supplemental Budget. Community health centers not only serve those in hard to reach areas, but also those who sometimes have the lowest ability to pay. Your Committee recognizes the need to provide these centers with operational subsidies and has done so with various appropriations in S.B. No. 2068, S.D. 2, and H.B. No. 2796, H.D. 2, S.D. 2. This measure provides close to \$10 million in funds from the State's Emergency and Budget Reserve Fund, otherwise known as the "Rainy Day" fund, for various public health and human services programs.

Conclusion

Your Committee believes that, for much of the past decade, circumstances outside of the State's control have contributed to fiscal setbacks that seem to have temporarily delayed the Legislature's plans for a vibrant, healthy, and productive economic future for Hawaii. However, through these lean economic times, the diligence and commitment of your Committee and the entire Legislature toward providing the resources necessary to meet all of the State's critical needs has been of paramount concern. As such, your Committee believes that the appropriations contained in this measure, in combination with the many others that comprise the Senate's total spending plan, reflect a balanced and thoughtful approach to addressing the most important priorities of our community while sustaining the necessary fiscal foundation upon which the State may build to achieve its goal of long term economic and societal success.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1800, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1800, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kim).

SCRep. 3086 (Majority) Ways and Means on H.B. No. 2796

The purpose of this measure is to appropriate funds from the emergency and budget reserve fund for various health and human services programs.

Your Committee finds that S.B. No. 3068, S.D. 2 (2004), is a similar measure that makes appropriations from the emergency and budget reserve fund in similar amounts to many of the same recipients. Your Committee further finds that S.B. No. 3068, S.D. 2 (2004), is a more appropriate vehicle and is more convenient to accommodate the amendments made by your Committee as detailed below.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with the contents of S.B. No. 3068, S.D. 2 (2004), but with the following changes:

- (1) Simplifying and streamlining the measure by deleting all sections in S.B. No. 3068, S.D. 2 (2004), that do not specifically make appropriations from the emergency and budget reserve fund, including prefatory and explanatory language supporting each separate appropriation;
- (2) Simplifying the measure by designating the measure by sections rather than by parts and sections;
- (3) Deleting the appropriations to:

- (A) The Hana Community Health Center for a capital improvement project for a nutrition training center for \$500,000;
 - (B) The Molokai General Hospital for Lamalama Ka `Ili Community Health Services programs and general operating costs for \$50,000;
 - (C) The Department of Human Services for forensic medical examinations of children in foster custody placements for \$150,000;
 - (D) The Department of Human Services for existing Kalihi area youth service centers for \$500,000;
 - (E) The county of Hawaii for the establishment of an adolescent treatment center to treat poly-drug abuse on the island of Hawaii for \$300,000;
 - (F) The county of Hawaii for community anti-drug efforts aimed at preventing crystal methamphetamine use on the island of Hawaii for \$100,000;
 - (G) The Department of Human Services to develop a plan to implement the Hawaii Rx Program for \$200,000;
 - (H) The Waipahu Community Adult Day Health Center and Youth Day Care Center pilot project for \$300,000; and
 - (I) The Department of Health for substance abuse services for youth and adolescents and the coordination of these services for \$100,000;
- (4) Modifying the amount appropriated to:
- (A) The Kauai Community Health Center from \$750,000 to \$150,000; and
 - (B) The Wahiawa general hospital to provide indigent care services from \$500,000 to \$250,000;
- (5) Adding new appropriations as grants-in-aid to the following:
- (A) The Family Support Services of West Hawaii for core services for the Kau Family Center in Naalehu and the North Kohala Family Center in Hawi on the island of Hawaii for \$100,000;
 - (B) The Friends of Foster Kids to develop infrastructure to transition into a professional child welfare services agency for \$100,000;
 - (C) The Na Lei Wili Area Health Education Center for the Grow Our Own Healers Youth Program and Health Corps Hawaii to address workforce shortage through tiered mentoring, health care exploration, community health education, and community service for \$90,000;
 - (D) The Roman Catholic Church in the State of Hawaii for the Mobile Care Health Project to provide primary dental care services for the uninsured and underinsured on the islands of Hawaii and Maui for \$100,000; and
 - (E) The Self-Help Housing Corporation of Hawaii for self-help housing technical services to assist low and very low income families to build and own their own homes for \$100,000; and
- (6) Adding appropriations from H.B. No. 2796, S.D. 1 (2004) as grants-in-aid (except for paragraph (H), which is a subsidy) to the following:
- (A) The Hui Malama Learning Center for alternative education services for Maui's at-risk youth for \$30,000 (reduced from \$105,000);
 - (B) The Hawaii FI-DO Service Dogs to support activities and projects that raise, train, and place service dogs with residents who have disabilities other than blindness for \$40,000 (reduced from \$79,000);
 - (C) The Catholic Charities of the Diocese of Honolulu for the Lanakila Multi-Purpose Senior Center for \$75,000;
 - (D) The Moiliili Community Center for program support for \$60,000;
 - (E) The Waikiki Community Center for program support for \$25,000 (reduced from \$50,000);
 - (F) The Maui Economic Opportunity, Inc. and its night transportation for dialysis treatment programs in Maui County for \$50,000 (reduced from \$375,000); and
 - (G) The Hawaii Drug Assistance Program for \$25,000 (reduced from \$100,000) and the Hawaii Seropositivity and Medical Management Program for \$25,000 (reduced from \$100,000).

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2796, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2796, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 3087 (Majority) Ways and Means on H.B. No. 2743

The purpose of this measure is to transfer the excess balances contained in various special and revolving funds to the general fund.

In addition, the measure also:

- (1) Reduces the balance ceiling for the Tobacco Enforcement Special Fund and the Bureau of Conveyances Special Fund from \$1,000,000 to \$500,000, and \$500,000 to \$250,000, respectively; and
- (2) Establishes a balance ceiling for the State Parking Revolving Fund of \$500,000, and requires that all moneys in excess of that amount that exist in the fund on June 30 of each year be deposited into the general fund.

Your Committee finds that there are other special and revolving funds that hold excess balances or that possess a balance ceiling that is higher than what is actually needed to effectuate the special or revolving fund's intended purpose.

In light of this finding, your Committee has amended the measure by:

- (1) Deleting the sections that transfer excess balances from the:
 - (A) Agriculture Loan Reserve Fund;
 - (B) Medicaid Investigations Recovery Fund;
 - (C) Research Subaccount of the Tourism Special Fund;
 - (D) Human Resources Development Special Fund;
 - (E) Environmental Management Special Fund;
 - (F) Environmental Response Revolving Fund;
 - (G) Mental Health and Substance Abuse Special Fund; and
 - (H) Controlled Substances Registration Revolving Fund;
- (2) Deleting the section that amended the balance ceiling for moneys in the Tobacco Enforcement Special Fund;
- (3) Changing the amounts of funding the Director of Finance is authorized to transfer to the general fund as follows:
 - (A) From \$300,000 to \$296,000 from the State Identification Revolving Fund;
 - (B) From \$400,000 to \$250,000 from the Foreign Trade Zones Special Fund; and
 - (C) From \$4,000,000 to \$3,000,000 from the Hawaii Community Development Revolving Fund;
- (4) Adding sections that authorize the transfer of excess balances from the following special or revolving funds:
 - (A) Animal Quarantine Special Fund - \$600,000;
 - (B) State Motor Pool Revolving Fund - \$900,000;
 - (C) State Parking Revolving Fund - \$400,000;
 - (D) Aloha Stadium Special Fund - \$600,000;
 - (E) Tobacco Enforcement Special Fund - \$500,000;
 - (F) Aloha Tower Fund - \$750,000;
 - (G) Dwelling Unit Revolving Fund - \$10,000,000;
 - (H) Convention Center Enterprise Special Fund - \$500,000;
 - (I) Hawaii Capital Loan Revolving Fund - \$1,500,000;
 - (J) Hawaii Strategic Development Corporation Revolving Fund - \$200,000;

- (K) Compliance Resolution Fund - \$12,100,000;
 - (L) State Health Planning and Development Special Fund - \$100,000;
 - (M) Driver Education Special Fund - \$500,000;
 - (N) Probation Services Special Fund - \$350,000;
 - (O) Natural Areas Reserve Fund - \$2,000,000;
 - (P) Special Land and Development Fund - \$3,000,000;
 - (Q) State Highway Fund - \$17,000,000; and
 - (R) Public Utilities Commission Special Fund - \$500,000;
- (5) Adding an amendment to section 321-27(c), Hawaii Revised Statutes, to lower the balance ceiling, from \$300,000 to \$150,000 for moneys in the Environmental Health Education Fund, that triggers an automatic transfer to the general fund at the end of each fiscal year;
 - (6) Adding a section that repeals section 37-53, Hawaii Revised Statutes, relating to the Governor and Director of Finance's authority to transfer, at any time, the excess balances of special funds to the general fund; and
 - (7) Deleting the balance ceiling for the State Parking Revolving Fund.

Your Committee believes that the amounts withdrawn from the various special and revolving funds will not adversely impact the operations of the programs for which these funds were established.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2743, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2743, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 3088 (Joint/Majority) Education and Ways and Means on H.B. No. 2002

The purpose of this measure is to implement education reform and decentralization measures and establish a weighted student formula for providing operating moneys to individual public schools.

Your Committees received testimony in support of the measure from the Board of Education, Department of Education, Department of Health, Hawaii State Teachers Association, Hawaii Government Employees Association, Hawaii Business Roundtable, and a high school student. Your Committees received testimony in opposition to the measure from the Governor, Department of Budget and Finance, Department of Accounting and General Services, and a member of the Board of Education. Your Committees received comments on the measure from the Department of Human Resources Development and Special Education Advisory Council.

Your Committees find that the public at large feels the need for more meaningful opportunities to collaborate with the system on its direction, objectives, and management. With this perceived loss of access has come a corresponding loss of confidence in the institution that expends a very significant portion of their hard-earned tax dollars.

Your Committees find that this public sentiment provides the Legislature with a unique opportunity to enact historic reform. Both bodies of this Legislature have crafted equally ambitious programs of reform. Although the visions are not identical they agree in many substantial and important ways. Both see school community councils as a means for the stakeholders at the school level to become more engaged with the principal in a collaborative leadership of their learning communities. Both houses agree on the need to give principals more latitude in how they choose to run their schools and greater control over a larger portion of the department budget dedicated to their school. Both houses see the weighted student formula as a useful new means of establishing per-pupil student allocations, in which the funding follows the student to whichever school they attend, formulated according to a system of weights corresponding to the elements that make that student a unique learner. This system has already proven effective in Edmonton, Alberta, Canada. Both houses agree on the need to transfer a number of important functions carried out by other state agencies for the Department of Education to the department, to enhance autonomy and operating efficiency. In spite of agreement on these and many other elements of the reform package, differences do remain.

Your Committees have amended the measure by:

- (1) Clarifying that the Department of Education shall determine the appropriate amount of funding that can be effectively and efficiently budgeted and administered by the school principal under the weighted student formula, providing for per-pupil allocations to be provided directly to the principal at the beginning of the next few fiscal years to facilitate a phased implementation of the formula;
- (2) Requiring the committee on weights to establish targets for the weighted student formula as a percentage of the total annual budget of the Department of Education over the next few fiscal years to facilitate its phased-in implementation;

- (3) Establishing a ceiling on the reimbursement of the application fee for successful applicants to national board teacher certification at \$3,500, and deleting the ability to be reimbursed for any other expenses relating to the application;
- (4) Allowing the Hawaii Principals Academy to support and train complex area superintendents and prospective principals as well as principals, paralleling the performance indicators for which administrators will be held accountable under the education accountability system;
- (5) Including among the purposes of the Hawaii Principals Academy support and training of principals, prospective principals, and complex area superintendents in collaborating with members of the school community council;
- (6) Reducing the annual carryover of funds allowed by the Department of Education from ten to seven percent, while allowing individual schools to exceed the seven percent cap;
- (7) Clarifying the reciprocal powers, duties, and obligations of the principals and school community councils, including the adoption of budgets by 2/3 vote and all other decisions by majority vote;
- (8) Establishing a formal appeals process in the event of disagreement between the principal and school community council, while retaining the ability of the principal to act as he or she sees fit, subject to appeal;
- (9) Allowing the Superintendent of Education to recommend dissolution of school community councils to the Board of Education, rather than authorizing the Superintendent to do so directly;
- (10) Making technical clarifications as to how the school community councils choose their members and fill vacancies;
- (11) Exempting charter schools, alternative schools, laboratory schools, and schools serving special needs populations from the weighted student formula funding system, school community councils, and class size and student-teacher ratio requirements;
- (12) Adding the accountability provisions of Senate Bill No. 3238, S.D. 2 (which were previously contained in Senate Bill No. 2059 S.D. 1) and integrating them into an amended version of the financial accountability provisions already in the measure, such amendments reflecting their enhanced budgetary control under the weighted student formula funding system, including provisions for evaluating complex area superintendents and principals, and also including enhanced programmatic and fiscal performance measures (including a three year longitudinal report card for the school, school complex, and public education system);
- (13) Making explicit that teachers, principals, and those with the appropriate skills and qualifications that shall serve on the committee of weight;
- (14) Postponing the transfer of school repair and maintenance functions from the Department of Accounting and General Services to the Department of Education;
- (15) Adding "resources," and "databases, software, and programming," to boilerplate language regarding the transfer of tangible assets relating to the transfer of school repair and maintenance functions from the Department of Accounting and General Services to the Department of Education;
- (16) Allowing the Superintendent of Education to appoint community members to the interagency working group on the reduction of bureaucracy;
- (17) Providing for per-pupil allocations to be provided directly to the principal no later than July 1, 2005 as a step towards empowering the school community council;
- (18) Adding a new section regarding geographic exemptions and empowering the principal with greater latitude to grant exemptions based on the principal's expectation of enhanced learning for the pupil and the pupil's potential contribution to the school community;
- (19) Adding a section making an appropriation for business managers;
- (20) Adding a section making an appropriation for textbooks, provided that the curriculum is aligned within the school complex; and reinserting a substantial number of earlier Senate measures that were previously inserted in Senate Bill No. 3238 S.D. 2, including S.B. No. 2055, S.D. 1; S.B. No. 2057; S.B. No. 2062; S.B. No. 2069, S.D. 1; S.B. No. 2111; S.B. No. 2172; S.B. No. 2318, S.D. 1; S.B. No. 2755; S.B. No. 2757; S.B. No. 3205, S.D. 1, and S.B. 2070, S.D. 1, which respectively:
- (21) Provide that the salary schedules of principals and vice-principals and of all other educational officers shall be based on a twelve-month term of service; provide retention bonuses for principals and vice-principals; and make an appropriation for the additional two months' salary for high school principals (SB2055 SD1, although amending this measure to provide that retention bonuses shall only apply to distinguished service as determined by the education accountability system and performance contracts;
- (22) Make an appropriation for additional faculty positions at the University of Hawaii's College of Education (SB2057);

- (23) Make an appropriation to provide for one full time educational officer and one full time clerk in the Professional Development and Educational Research Institute (SB2062), although amending this measure to clarify that these positions include servicing the operation of the administrator certification of excellence (ACE) program;
- (24) Support and recognize outstanding teaching by providing the Hawaii teacher standards board with continued funding for implementing and administering a program of support for national board certification candidates in the public schools (SB2069 SD1);
- (25) Improve student achievement by continuing to support and fund parent-community networking centers, which create important partnerships among the home, school, and community (SB2111);
- (26) Provide funding for full-time student activities coordinators in all public high schools (SB2172), although amending this measure to clarify that the positions shall serve year-round;
- (27) Provide instructional support that is adequate to ensure superior performance in any assessment instruments by funding one permanent half-time teacher's aide for each public school third grade classroom (SB2318 SD1);
- (28) Improve student learning by providing funding to reduce the ratio of students to teachers in kindergarten to grade three to not more than twenty-five students to one teacher (SB3205 SD1); and
- (29) Build and support the teaching profession by providing funding to convert two existing Hawaii Teacher Standards Boards positions to permanent positions (SB2070 SD1).

Your Committees also made technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2002, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2002, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, 2 (Hemmings, Slom). Excused, 6 (Aduja, English, Inouye, Kim, Menor, Tsutsui).

SCRep. 3089 Commerce Consumer Protection and Housing on H.B. No. 1824

The purpose of this measure is to require continued competency in plumbing code requirements as a condition of license renewal for plumbers and to modify the license renewal schedule.

The Board of Electricians and Plumbers, Department of Commerce and Consumer Affairs, University of Hawaii, Plumbing and Mechanical Contractors Association of Hawaii, and Plumbers and Fitters Local 675 testified in support of this measure.

Currently, licensed electricians are required to submit proof of attendance at continuing education courses on updates to the National Electrical Code or pass an exam on the electrical code updates in order to renew their licenses. This measure establishes a similar requirement for plumbers by requiring continuing education or demonstration of competency in Uniform Plumbing Code (UPC) updates. Additionally, this measure replaces the biennial renewal schedule for plumbers with a triennial renewal schedule to coincide with revisions to the UPC.

Your Committee finds that this measure enhances consumer protection by helping to ensure that plumbers remain current in their knowledge and understanding of plumbing code requirements.

Your Committee has amended this measure:

- (1) To establish the date of June 30, 2006, rather than July 1, 2007, as the first plumber license renewal date under the new triennial licensing schedule;
- (2) To delay the implementation of the plumbing code continuing competency requirement until the renewal for the licensing triennium beginning on July 1, 2009; and
- (3) By making stylistic, technical amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1824, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1824, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 3090 Commerce Consumer Protection and Housing on H.B. No. 2411

The purpose of this measure is to update and streamline the insurance laws.

The Department of Commerce and Consumer Affairs, NAIFA Hawaii, Hawaii Insurers Council, and an individual testified in support of this measure. State Farm Insurance Companies opposed section 1 of the measure, as received.

In 2001, the State adopted the Producer License Model Act (PLMA) pursuant to the federal mandates established in the Gramm-Leach-Bliley Act (GLBA), and over the following two years, continued to amend the insurance laws to conform to federal requirements.

This measure makes additional amendments throughout the insurance code to ensure conformity with the PLMA and GLBA, and makes other changes for the purpose of making the insurance laws more efficient and comprehensible, less burdensome, and technically correct. Among other things, this measure:

- (1) Authorizes the destruction of self-insurance applications, registration documents, and certificates of compliance and deposits after one year of retention;
- (2) Repeals the public notice requirement for certification of foreign insurers in designated states;
- (3) Authorizes the Insurance Commissioner (Commissioner) to waive publication and notice requirements for withdrawal by an insurer;
- (4) Clarifies that redomestication may include domestications occurring in other states of the United States branch office of an authorized alien insurer;
- (5) Authorizes the Commissioner to provide notice of revocation or suspension of an insurer's certificate of authority to other state insurance departments through the National Association of Insurance Commissioners' data base;
- (6) Reduces the licensing fee for resident producers from \$75 to \$50;
- (7) Authorizes the Commissioner to appoint advisers to review captive applications; and
- (8) Repeals duplicative provisions and corrects statutory references.

Your Committee finds that this measure will help to modernize the State's insurance laws, ease filing requirements for insurers, and bring Hawaii's laws into conformity with federal law and national standards.

Your Committee has amended this measure by replacing its contents with the language of a substantially similar measure, S.B. No. 2886, S.D. 1. As amended, this measure:

- (1) Deletes language that requires an insurer withdrawing from the State to negotiate a plan of withdrawal with the Commissioner; and
- (2) Makes numerous technical, nonsubstantive changes to correct terminology, to accurately reflect the language of the Hawaii Revised Statutes, and to reflect preferred drafting style.

Additionally, this measure was amended to exempt health insurance policies for self-employed individuals from the laws establishing mandatory benefits and coverage.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2411, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2411, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

SCRep. 3091 (Joint) Judiciary and Hawaiian Affairs and Health on H.B. No. 2003

The purpose of this measure is to provide comprehensive legislation to address the use of addiction to crystal methamphetamines (commonly referred to as "ice"), which have reached epidemic proportions in Hawaii.

Specifically, this measure:

- (1) Deters the proliferation of drug trafficking and importation into Hawaii;
- (2) Protects children from the dangers of clandestine methamphetamine laboratories and homes where illegal substances may harm them;
- (3) Requires employers to offer substance abuse prevention education programs;
- (4) Expands access to treatment for first time nonviolent drug offenders;
- (5) Allows families to involuntarily commit a family member to substance abuse outpatient treatment;

- (6) Creates parity for treatment for substance abuse addiction; and
- (7) Encourages the development of clean and sober homes for persons recovering from substance abuse.

Testimony in support of this measure was submitted by the Department of Planning and Permitting for the City and County of Honolulu, ILWU Local 142, Coalition for a Drug-Free Hawaii, Harm Reduction Hawai'i, Ho'omau Ke Ola, Hawaii Substance Abuse Coalition, Hina Mauka, and two individuals. Testimony in opposition to this measure was submitted by Diversified Exterminators.

Due to the number of issues in this measure, most of the testimony was submitted on only portions of the measure. While most of the testifiers supported the intent of the measure, many offered comments or concerns, or opposed portions of the measure. The Judiciary, Department of Health, Department of Commerce and Consumer Affairs, Aloha House, Inc., Community Alliance on Prisons, Drug Policy Alliance, the Drug Policy Action Group, Hawaii Medical Service Association (HMSA), Kaiser Permanente, Maui Economic Opportunity, Inc., and nine individuals submitted comments or concerns regarding portions of this measure. The Office of the Lieutenant Governor, Department of the Attorney General (AG), Department of Education, Department of Labor and Industrial Relations (DLIR), Hawaii Paroling Authority, Office of the Public Defender (Public Defender), Department of Public Safety, Department of the Prosecuting Attorney for the City and County of Honolulu (Prosecuting Attorney), Honolulu Police Department, the Chamber of Commerce of Hawaii, Hawaii Bankers Association, Inner Ocean, Society for Human Resources Management, and five individuals submitted testimony opposing portions of this measure.

Your Committees find that in the summer of 2003, the Speaker of the House of Representatives and President of the Senate appointed eighteen legislators to the Joint House-Senate Task Force on Ice and Drug Abatement (Task Force). The mission of the Task Force was to find a solution to the ice epidemic and draft comprehensive legislation to address the problems created by the ice epidemic. After nearly eighty hours of informational briefings, public hearings, and site visits, and the input of over four hundred persons, the Task Force concluded that the solution to the ice epidemic is to treat the present generation of ice abusers and prevent future generations from becoming substance abusers. At the request of the leaders of both houses, a report on the findings and recommendations of the Task Force was submitted in January 2004.

Your Committees concur with the findings and recommendations in the "Final Report of the Task Force" and find that this measure was drafted following the Task Force recommendations. This measure was also amended by its house committees. While your Committees recognize that this measure will not solve all of the problems noted by the Task Force, your Committees find that there is a compelling state interest in enacting this measure and further believe that this measure is a very good start in battling illegal drugs.

Your Committees have amended this measure by adopting the amendments suggested by:

- (1) The Department of Public Safety, to require a two-year penalty for manufacturing a controlled substance with a child present;
- (2) The Public Defender and the Prosecuting Attorney, to restore the current language for determining drug paraphernalia in section 321-1, Hawaii Revised Statutes (HRS);
- (3) The AG, to:
 - (a) Add that a paroled prisoner who violates the terms and conditions of parole by committing the offense of unlawful methamphetamine trafficking, as defined in section 712-B, HRS, is excluded from the provisions for substance abuse treatment program under section 353-66, HRS;
 - (b) Add that a defendant convicted for a first time methamphetamine trafficking offense under section 712-B shall not be eligible for sentencing under section 706-622.5, HRS; and
 - (c) Add that a defendant who violates the terms and conditions of probation by committing the offense of unlawful methamphetamine trafficking under section 712-B shall not be eligible for substance abuse treatment program under section 706-625, HRS;
- (4) The Prosecuting Attorney and the Hawaii Paroling Authority, to replace the "and" with an "or" allowing the revocation of parole if:
 - (a) The parolee fails to complete the substance abuse program; or
 - (b) The Hawaii Paroling Authority determines the paroled prisoner cannot benefit from any substance abuse program;
- (5) The Prosecuting Attorney, who wanted the same provision to replace the "and" with an "or" allowing the revocation of probation if:
 - (a) The defendant fails to complete the substance abuse program; or
 - (b) The court determines the defendant cannot benefit from any substance abuse program;
- (6) DOH, to:
 - (a) Replace all references to "professional licensed or certified abuse counselors" with "licensed professionals or certified substance abuse counselors"; and

- (b) Clarify that a “drug rehabilitation home” shall be operated by a community-based nonprofit agency licensed by DOH;
- (7) DLIR, the Chamber of Commerce of Hawaii, Hawaii Bankers Association, Inner Ocean, Kaiser Permanente, and Society for Human Resource Management, to delete the provisions that require employers to offer substance abuse treatment education programs;
- (8) The Judiciary, to add a provision that clarifies that the civil commitment process shall be used only for family members seeking involuntary outpatient commitment of the respondent with substance abuse as the primary diagnosis; and
- (9) HMSA, to change the effective date of the parity sections to July 1, 2005 and repeal those sections on June 30, 2011.

Your Committees also amended this measure to:

- (1) Clarify that public informational meetings for drug rehabilitation homes shall be performed by DOH; and
- (2) Make technical, nonsubstantive changes.

Your Committees noted concerns from several testifiers regarding the requirements for employers to offer substance abuse prevention education programs. As mentioned above, your Committees considered the testimony carefully and decided to remove the section from this measure.

Your Committees are committed to battling this fight against methamphetamines and recognize the importance of substance abuse training programs. However, your Committees also heard testimony from DLIR that training materials are currently being developed and will be available to employers next year. It is with this information that your Committees are willing to wait and see how the private sector responds to the program, and if the response is inadequate, this Legislature may act to mandate training programs in the future.

Your Committees noted further concerns regarding drug rehabilitation homes. Specifically, your Committees discussed the meaning, intent, and repercussions of removing the counties’ responsibilities for conditional use, permit, variance, or special exceptions for drug rehabilitation homes. Your Committees concluded that the intent of this provision is to supersede the counties’ restrictions for “use” of the property. However, it is not the intent of your Committees that this measure supersede any county building codes or structural requirements.

Your Committees also noted concerns regarding Act 161, Session Laws of Hawaii 2002 (Act 161). Act 161 was enacted to divert first-time nonviolent drug offenders to drug treatment instead of prison. Testimony was also submitted by law enforcement to repeal Act 161 because they feel this provision is a “get out of jail free card” and takes away the discretion ordinarily reserved for the court. However, proponents for Act 161 feel that because this provision did not get any funding, it is impossible to determine if Act 161 is effective. As a result, approximately two hundred fifty offenders were identified as eligible for diversion to treatment, but fewer than half actually began treatment.

Your Committees noted both arguments and compromised by adopting the recommendations of the Judiciary by giving courts the discretion to determine if an offender should be sentenced under Act 161. However, it is your Committees’ intent to have Act 161 apply to first-time nonviolent drug offenders regardless of whether the offender has prior convictions.

Your Committees note that drug court provides the offender with the best chance of success, as well as the highest risk of incarceration if the offender fails to comply with its program. As a result, your Committees strongly urge the courts to divert difficult cases, those with the most severely addicted offenders with problems such as a history of relapse or criminal histories, to drug court. Your Committees believe that drug court can provide the best supervision and treatment programs for these types of difficult cases.

However, your Committees also noted concerns regarding the jurisdiction of cases transferred to drug court. Specifically, concerns were raised regarding the sentencing court retaining jurisdiction or supervision over offenders who are transferred to drug court. It is your Committees’ intent that if an offender is transferred to drug court, the jurisdiction over the offender should also be transferred to drug court, and the sentencing court shall no longer have any jurisdiction over the offender.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2003, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2003, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Kawamoto, Kokubun).

SCRep. 3092 Ways and Means on H.B. No. 2004

The purpose of this measure is to implement the recommendations of the joint house-senate task force (task force) on ice and drug abatement.

Your Committee finds that the use of crystal methamphetamine (ice) has reached epidemic proportions. Ice has ruined lives, destroyed families, and wreaked havoc in our society, resulting in increased criminal activity and creating a burden on public resources such as child welfare, health, and social services agencies.

Ice addiction is a public health problem that has reached crisis proportions. Ice is now the number one illegal substance for which publicly funded treatment for addiction is sought, surpassing programs for alcohol abuse. Between 1998 and 2002, admissions into treatment programs for ice were phenomenal, increasing by at least eighty per cent.

The Legislature finds that early intervention is the key to diverting young adults from drug use. The treatment gap between the number of adolescents who need treatment and who do not receive it is over five thousand, based on both state and federal estimates.

As received, this bill takes the following steps to combat the ice epidemic:

- (1) Expands school-based treatment services to middle schools;
- (2) Prioritizes funds for: drug education and awareness in the schools and community partnerships, non-school youth activities in communities with the greatest need, education and support for families and parenting women, and community mobilization;
- (3) Prioritizes funds to ice abusers who are women of child bearing age, pregnant women, parents of young children in the home, and persons of Hawaiian ancestry;
- (4) Establishes a substance abuse treatment monitoring program requiring state agencies to collect data and assess program effectiveness and requires the Department of Health to report to the Legislature regarding the success of these programs;
- (5) Expands services provided by the drug courts, including family and juvenile drug courts;
- (6) Funds treatment services for nonviolent first-time drug offenders and for paroled offenders to avoid imposing a greater burden on the State's prison system;
- (7) Expands the canine drug interdiction program;
- (8) Provides for an environmental study on the effects of clandestine methamphetamine laboratories;
- (9) Creates grant-in-aid opportunities for counties to fund grassroots community efforts with matching county funds;
- (10) Adds to the duties of the Department of Public Safety by including coordination of community-based drug abatement and mobilization efforts on a statewide basis;
- (11) Provides tax credits for the establishment of rehabilitation homes and for substance abuse prevention education and employment;
- (12) Creates a multi-agency task force to respond to the effects of ice on children; and
- (13) Makes various appropriations to finance these objectives.

Upon further consideration, and to strengthen this measure, your Committee has amended the bill by:

- (1) Appropriating funds to expand the Weed and Seed Program to prevent and control the proliferation of drug abuse in local neighborhoods;
- (2) Appropriating funds for the Being Empowered and Safe Together Program on Maui to provide a supportive environment that assists former incarcerated individuals returning to the community to remain free from the influences, temptations, and dangers related to illegal drugs;
- (3) Appropriating funds to expand the KASHBOX substance abuse treatment program at the Waiawa correctional center and to establish offender transitional services centers;
- (4) Appropriating funds for the Drug Court programs in the Second and Third Circuits;
- (5) Requiring that the counties match the grant-in-aid with federal forfeiture funds and making an appropriation for community adolescent drug prevention programs on the island of Hawaii;
- (6) Deleting the substance abuse prevention education and employment income tax credits;
- (7) Clarifying that the Office of Youth Services, the Judiciary, and the Department of Public Safety are to use the criteria developed by the Department of Health for the statewide substance abuse treatment monitoring program, and appropriating funds necessary for the Department of Health to implement the substance abuse treatment monitoring program established by this bill; and
- (8) Modifying the appropriations and designating revenue sources for the various programs and services that are part of the battle against crystal methamphetamine.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2004, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2004, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 3093 Judiciary and Hawaiian Affairs on H.B. No. 2683

The purpose of this measure is to include offenses involving substantial bodily injury to the list of offenses for which a plea of guilty or nolo contendere is not permitted.

Testimony in support of this measure was submitted by the Department of the Attorney General, Department of the Prosecuting Attorney for the City and County of Honolulu, Office of the Prosecuting Attorney for the County of Hawaii, Domestic Violence Clearing House and Legal Hotline, and Hawaii State Coalition Against Domestic Violence. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that the deferred acceptance of guilty plea (DAG) or deferred acceptance of nolo contendere plea (DANC) is permitted for cases involving substantial bodily injuries. However, a DAG or DANC is not permitted for the less severe offense involving "bodily injury." To avoid the incongruous situation where committing a more serious injury can qualify for a DAG or DANC where a less serious one cannot, your Committee believes that a DAG and DANC should also be precluded for cases involving substantial bodily injuries.

Your Committee adopted the amendments suggested by the Department of the Attorney General and the Department of the Prosecuting Attorney for the City and County of Honolulu by:

- (1) Creating subsections within section 853-4, Hawaii Revised Statutes (HRS);
- (2) Precluding DAG and DANC pleas when charged with a conspiracy or solicitation to intentionally, knowingly, or recklessly kill another person or cause substantial bodily injury to another person;
- (3) Deleting paragraphs six to thirteen;
- (4) Adding new subsections to:
 - (a) Preclude DAG and DANC pleas for a defendant that has a prior conviction for a felony committed in any state, federal, or foreign jurisdiction or that has been previously granted a DAG or DANC;
 - (b) Provide that DAG and DANC pleas shall not apply when the offense charged is a felony, except that the court has the discretion to apply DAG or DANC pleas for certain felonies;
 - (c) List specific offenses where DAG and DANC pleas do not apply; and
 - (d) Give the courts the option to adopt other criteria for DAG and DANC pleas;
- (5) Adding a savings clause; and
- (6) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2683, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2683, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 3094 Judiciary and Hawaiian Affairs on H.B. No. 2789

The purpose of this measure is to define continuous sexual assault of a minor to require that the jury unanimously agree as to which three acts constitute the offense, even if they cannot agree on how many acts occurred overall.

Testimony in support of this measure was submitted by the Office of the Public Defender, Department of the Prosecuting Attorney for the County of Maui, and one individual. Testimony in opposition to this measure was submitted by the Department of the Attorney General (AG). Comments were submitted by one individual.

Your Committee finds that this measure is in response to State v. Rabago, No. 25378, slip op. (Haw. Dec. 29, 2003) in which the Hawaii Supreme Court found that section 707-733.5(2), Hawaii Revised Statutes (HRS), was unconstitutional. Specifically, the Court found that this section violates a defendant's right to a unanimous verdict by specifying that the "trier of fact, if a jury, need not agree on which acts constitutes the requisite number."

However, your Committee noted concerns from the AG that the measure will not do anything to avoid the Rabago decision. In fact, the AG notes that the only way that the decision in Rabago could be overruled would be if the Constitution of the State of Hawaii was amended. Your Committee agrees with the AG's concerns and determinations.

Your Committee adopted the amendments suggested by the AG to amend this measure by:

- (1) Adding a constitutional amendment to allow the Legislature to define what behavior constitutes a continuing course of conduct in sexual assault crimes; and
- (2) Reenacting section 707-733.5 with minor technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2789, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2789, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 3095 (Joint/Majority) Transportation, Military Affairs, and Government Operations and Economic Development on H.B. No. 1103

The purpose of this measure is to require policy boards under the procurement code to adopt rules to promote small business.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. In that form, it was clarified that the state law requiring payment of prevailing wages applies to all laborers, mechanics, required assistants, helpers, tenders, and apprentices on a public works project, and not only those on the job site.

Testimony in support of this measure was received from the Hawaii Operating Engineers Industry Stabilization Fund (operating engineers) and American Institute of Architects - Hawaii State Council. Testimony in opposition was received from the Department of Labor and Industrial Relations (DLIR), Department of Accounting and General Services, and Associated Builders and Contractors, Inc. - Hawaii Chapter.

Your Committees find that testimony in opposition to this measure was misconstrued as adding requirements to the Davis-Bacon Act (chapter 104, Hawaii Revised Statutes). However, oral testimony of the operating engineers indicated that the real intent of this measure is to authorize the DLIR to adopt rules for the on-site safety of assistants, helpers, tenders, and apprentices. Current law does not mention these types of workers.

As such, your Committees find that the legislative intent is to limit the application of this measure to the health, safety, and welfare of those workers, and not to impose union work rules into public works contracts.

Your Committees have amended the measure by:

- (1) Adopting the changes in the proposed S.D. 1;
- (2) Requiring compliance with staffing requirements of the DLIR for assistants, helpers, and apprentices; and
- (3) Changing the effective date to July 1, 2025.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1103, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1103, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 1 (Trimble). Excused, 5 (Baker, Ige, Ihara, Kanno, Whalen).

SCRep. 3096 Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 244

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 244 SIDNEY M. ROSEN, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of the nominee was received from the Department of Transportation, Hawaii Emergency Physicians Association Inc., Insurance Associates, Inc., Heitzman Enterprises LLC, Incite Marketing LLC, and seven individuals.

SIDNEY M. ROSEN received a Ph.D. in American Studies from the University of Hawaii in 1985, and retired as a UH faculty member after 27 years of teaching. He has been a Hawaii resident for 35 years. He is a founding member of the University of Hawaii Professional Assembly, as well as a principal author of the UHPA's constitution and bylaws. Mr. Rosen is the founder and Chief Executive Officer of Adult Friends for Youth, and was instrumental in collaborating with the Department of Transportation's Safe Highways Office to establish a driver education program for young people. This program has been showcased by the U.S. Department of Transportation National Highway Traffic Safety Administration.

Your Committee finds that the nominee is well qualified and would be a valuable addition to the State Highway Safety Council.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 3097 Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 245

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 245 MARIE H. WEITE, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of the nominee was received from the Department of Transportation, Keiki Injury Prevention Coalition, The Pacific Law Group, and three individuals.

MARIE H. WEITE serves as a Bodily Injury Unit Leader and Litigation Senior Adjuster in the areas of automobile, homeowner's and general liability insurance for First Insurance Company of Hawaii Ltd. Prior to her current position with First Insurance Company of Hawaii Ltd., she worked as a Personal Injury Protection Adjuster, Inside Adjuster, and Field Adjuster for Island Insurance Companies Ltd. for over twenty years. Her volunteer activities include the Hawaii Claim Association, Keiki Prevention Coalition, Prevent Child Abuse Hawaii, and First Insurance Community Action Team. The nominee is also a certified Child Safety consultant and has participated as an instructor in many child-passenger safety educational events.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Whalen).

SCRep. 3098 Education on H.B. No. 2198

The purpose of this measure is to:

- (1) Require the Department of Education to permit the self-administration of medication by a student for asthma or other potentially life-threatening illnesses; and
- (2) Allow a student who is permitted to self-administer medication to carry an inhaler and auto-injectable epinephrine.

Your Committee received testimony in support of the measure from the Department of Health, Department of Education, Hawaii Government Employees Association, and Windward Oahu Asthma Coalition.

Your Committee finds that asthma is the most common chronic health condition affecting Hawaii's school-aged children. In Hawaii, there are at least four children with asthma in every elementary and middle school classroom. Self-administration of medication as prescribed by a physician optimizes the benefits of pharmacotherapy in preventing, controlling, or relieving symptoms associated with asthma or other chronic conditions. Poorly controlled asthma in children can lead to permanent lung damage. Preventing the exacerbation of symptoms may allow the child to maintain normal activity, decrease absenteeism (child and parent), reduce emergency room visits, and increase educational outcomes.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2198, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Menor).

SCRep. 3099 Human Services on S.C.R. No. 39

The purpose of this measure is to request an audit of the Randolph-Sheppard revolving account.

Testimony in support of the measure was submitted by the Department of Human Services, Hawaii Committee of Blind Vendors, Hawaii Association of the Blind, Hawaii Blind Vendors Association, and four individuals. An individual submitted testimony in opposition.

Your Committee finds that an examination of the blind vending facility program, its management, and its operation, will greatly contribute to the improvement of the program. Furthermore, an audit of the Randolph-Sheppard revolving account can improve the blind vendors' confidence in the program. It is your Committee's intention that if the audit of the program reveals some inconsistencies and misjudgments that a further request for an in-depth audit be considered by the 2005 Legislature.

Upon further consideration, your Committee has amended this measure by including clarifying language that the Auditor is requested to perform a financial and management audit of the Randolph-Sheppard revolving account.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 39, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 39, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Tsutsui).

SCRep. 3100 Energy and Environment on Gov. Msg. Nos. 217, 218, 219, 220 and 221

Recommending that the Senate advise and consent to the nominations of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 217 MICHAEL A. FAYE, for a term to expire 06-30-07;

G.M. No. 218 D'ARCY KERRIGAN, for a term to expire 06-30-07;

G.M. No. 219 VICTOR T. KIMURA, for a term to expire 06-30-07;

G.M. No. 220 CHESTER SAITO, for a term to expire 06-30-07; and

G.M. No. 221 BRANT T. TANAKA, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of MICHAEL A. FAYE from the State Office of Environmental Quality Control and one individual. Mr. Faye has worked for twenty years in the construction industry. He started as a manager and expanded his scope of work to be an owner and developer. He is co-owner of Kikiaola Construction Company in Waimea, Kauai. Mr. Faye is active in various professional and community organizations including the West Kauai Rotary Club and Historic Hawaii Foundation. He studied architecture at the Carnegie-Mellon University in Pittsburgh, Pennsylvania.

Your Committee received testimony in support of D'ARCY KERRIGAN from the State Office of Environment Quality Control, The Honolulu Board of Realtors, and Hawaii Association of Realtors. Ms. Kerrigan is a real estate broker with sixteen years of experience in the industry. She is a Certified Residential Specialist and Graduate of Realtor Institute. Ms. Kerrigan holds a Bachelor of Arts in urban design and international politics from the University of Washington. She has served on the Board of Directors for both The Honolulu Board of Realtors and the Hawaii Association of Realtors.

Your Committee received testimony in support of VICTOR T. KIMURA from the State Office of Environment Quality Control, the Chief of Police for the City and County of Honolulu, one Councilmember for the City and County of Honolulu, and eleven individuals. Mr. Kimura is a thirty-year veteran of the hotel industry. He began as mail clerk in the Sheraton Waikiki and earned his way to Chief Executive Officer and Director of the Sheraton Orient Hotel Management Company Limited. Mr. Kimura currently serves as a director of Kyo-ya Company Limited responsible for legal compliance of hotels in Hawaii, San Francisco, and Florida. He is a graduate of the ITT Executive Management Program of Duke University and holds a Bachelor of Arts in economics from the University of Hawaii.

Your Committee received testimony in support of CHESTER SAITO from the State Office of Environment Quality Control, the General Contractors Association of Hawaii, and five individuals. Mr. Saito is a senior project engineer and quality control manager for Hawaiian Dredging and Construction Company. He has thirty-four years of experience in the construction industry. He earned a business degree from Chaminade University, and studied engineering at the University of Hawaii. Mr. Saito is a member of the General Contractors Association of Hawaii, and previously chaired the association's environmental committee. A retired Quarter Master Colonel in the Army National Guard, he is also certified in construction quality management by the United States Corps of Engineers.

Your Committee received testimony in support of BRANT T. TANAKA from the State Office of Environment Quality Control, Castle and Cooke Homes Hawaii, Inc., and six individuals. Mr. Tanaka, an environmental scientist for eleven years, is a partner and vice president of EnviroServices and Training Center, LLC. He holds a Bachelor of Arts in earth science from the University of Washington, and a professional teaching diploma from the University of Hawaii. Mr. Tanaka is active in various professional organizations including American Conference of Governmental Industrial Hygienists and American Industrial Hygiene Association.

Your Committee finds that Mr. Faye has served on the Environmental Council since July 1999. Your Committee further finds that the remaining nominees are currently serving as interim appointees and thus all nominees are very familiar with the mandates of the Environmental Council.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kanno, Kokubun).

SCRep. 3101 Energy and Environment on Gov. Msg. Nos. 301, 303, 304, 305 and 306

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF CERTIFICATION OF OPERATING PERSONNEL IN WASTEWATER TREATMENT PLANTS

- G.M. No. 301 MANSFIELD DACAY, for a term to expire 06-30-07;
- G.M. No. 303 MARSHALL LUM, for a term to expire 06-30-07;
- G.M. No. 304 EASSIE M. MILLER, for a term to expire 06-30-07;
- G.M. No. 305 VICTOR D. MORELAND, for a term to expire 06-30-04; and
- G.M. No. 306 VICTOR D. MORELAND, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of MANSFIELD DACAY from the Department of Health and the Chair of the Board of Certification of Operating Personnel in Wastewater Treatment Plants. Mr. Dacay has twenty-seven years of experience in the field of wastewater treatment and possesses a Grade IV wastewater operator license. Mr. Dacay is a Wastewater Treatment Plant Supervisor for the County of Kauai and has served as an interim appointee on the Board of Certification of Operating Personnel in Wastewater Treatment Plants for the past eight months.

Your Committee received testimony in support of MARSHALL LUM from the Department of Health and the Chair of the Board of Certification of Operating Personnel in Wastewater Treatment Plants. Mr. Lum attended the University of Hawaii at Manoa and graduated with a Bachelor of Science degree in Civil Engineering. Mr. Lum is a licensed professional engineer and has worked in the Wastewater Branch of the Department of Health for the past twenty-two years. Mr. Lum has also served as an interim appointee on the Board of Certification of Operating Personnel in Wastewater Treatment Plants for the past eight months.

Your Committee received testimony in support of EASSIE M. MILLER from the Department of Health and the Chair of the Board of Certification of Operating Personnel in Wastewater Treatment Plants. Mr. Miller earned a Bachelor of Science degree in civil engineering from Loyola Marymount University and a Master of Science degree in civil engineering from the University of Hawaii at Manoa. Mr. Miller has over twenty-seven years experience in the administration, operation, and maintenance of wastewater systems in Hawaii and worked for various county and state government agencies as well as in the private sector. Mr. Miller is also a member of numerous professional engineering organizations, including the Hawaii Water Environment Federation. Mr. Miller has also served as an interim appointee on the Board of Certification of Operating Personnel in Wastewater Treatment Plants for the past eight months.

Your Committee received testimony in support of VICTOR MORELAND from the Department of Health and the Chair of the Board of Certification of Operating Personnel in Wastewater Treatment Plants. Dr. Moreland has a Ph.D in environmental engineering and a Master of Science degree in sanitary engineering from the University of Hawaii at Manoa and holds professional engineer licenses in Hawaii and California. Dr. Moreland has over thirty-one years experience in the wastewater field and currently works at the University of Hawaii, Water Resources Center, and is also an independent consulting engineer. Dr. Moreland is certified as a Grade IV Wastewater Treatment Plant operator and has been serving as an interim appointee of the Board of Certification of Operating Personnel in the Wastewater Treatment Plants for the past eight months.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kanno, Kokubun).

SCRep. 3102 Energy and Environment on Gov. Msg. No. 308

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF CERTIFICATION OF PUBLIC WATER SYSTEMS OPERATORS

G.M. No. 308 DANIEL K. MASUNO, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of DANIEL K. MASUNO from the Department of Health and five individuals. Mr. Masuno earned a Bachelor of Science degree in Mechanical Engineering from the University of Hawaii and has worked for the Honolulu Board of Water Supply for the past twenty-eight years. Mr. Masuno started in the Planning and Engineering Division of the Honolulu Board of Water Supply and was responsible for the installation and testing of mechanical and electrical equipment. Mr. Masuno later moved to the Board's Plant Operations Division where he reviewed the construction plans of proposed pipelines and pump stations. Mr. Masuno also served as the Water Pumping Plants Superintendent from 1990 to 2000 and currently serves as the Assistant Chief of Plant Operations where he provides direction and guidance for the Pump and Telecommunications sections of the Honolulu Board of Water Supply.

In his career, Mr. Masuno has designed, set specifications, certified, operated, and maintained water distribution systems and equipment. In addition, he has experience in the areas of water system control, cost management, system improvement, personnel supervision, and administrative duties such as budget preparation and planning.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kanno, Kokubun).

SCRep. 3103 Energy and Environment on Gov. Msg. No. 378

Recommending that the Senate advise and consent to the nomination of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 378 SHAD S. KANE, for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of SHAD S. KANE from the State Office of Environmental Quality Control, one Honolulu City Councilmember, and seven individuals. Mr. Kane was born and raised in Hawaii and earned a Bachelor of Business Administration degree from the University of Hawaii as well as a Masters of Public Administration degree from Central Michigan University. Mr. Kane is an active and contributing member of his community and volunteers his time and energy for numerous community organizations. Mr. Kane is a member of the Oahu Council of Hawaiian Civic Clubs and serves as the Chair of its Committee on the Preservation of Historic Sites and Cultural Properties. This committee is responsible for working with the Army and Navy in the preservation of Native Hawaiian cultural sites. In his capacity as committee chair, Mr. Kane served as the Native Hawaiian consultant in the Army's expansion of its training facilities at Schofield, East Range, Helemano, and Kahuku.

Mr. Kane is also President of the Kapolei Hawaiian Civic Club and also serves as the Chair for this organization's Cultural Resource committee that is assisting the Navy in the clean up of various naval properties at Kalaeloa. Mr. Kane is also President of the Friends of Honouliuli, an organization that is assisting the Makakilo community in the preservation of Native Hawaiian plant species and cultural artifacts as this community experiences increased residential development. In addition to these obligations, Mr. Kane is currently serving as an interim member on the State Environmental Council.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kanno, Kokubun).

SCRep. 3104 (Majority) Ways and Means on H.B. No. 2511

The purpose of this measure is to conform the state withholding tax remittance date for employers with an annual state withholding tax liability exceeding \$40,000 to the semi-weekly remittance date required under the federal employment tax remittance due date policy.

Your Committee finds that on the federal level, employers with federal withholding tax liability of \$50,000 to \$100,000, are required to remit payments on or before the following Wednesday if wages were paid on Wednesday, Thursday, or Friday; or on or before the following Friday, if wages were paid on Saturday, Sunday, Monday, or Tuesday. Under existing state law, employers with more than \$5,000 in annual withholding tax liability are required to file returns on a monthly basis.

Your Committee finds that the lower threshold of \$40,000 is necessary because the state wage withholding consists of only income tax, while federal wage withholding consists of income tax, social security tax, and Medicare tax.

Your Committee has amended this measure by lowering the annual state withholding tax liability threshold from \$40,000 to \$20,000, and by conforming the electronic funds transfer requirement to remit withholdings to the Department of Taxation to that threshold.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2511, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 4 (Kim, Hemmings, Slom, Trimble). Excused, 6 (Espero, Inouye, Kanno, Kawamoto, Sakamoto, Tsutsui).

SCRep. 3105 Ways and Means on H.B. No. 2397

The purpose of this measure is to make an emergency appropriation from the disaster revolving loan fund to help victims that suffered damages from the flooding that occurred on December 7 through December 8, 2003.

Your Committee finds that in response to damages suffered by individuals and businesses from heavy rains and flooding that occurred on December 7 through December 8, 2003, the Governor issued a disaster proclamation on December 23, 2003. This measure makes an immediate appropriation of \$1,000,000 from the disaster revolving loan fund in response to requests for assistance from victims of the disaster.

Your Committee has amended this measure to make it effective upon its approval and by making other technical nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2397, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2397, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Espero, Inouye, Kanno, Kawamoto, Sakamoto, Tsutsui).

SCRep. 3106 Commerce Consumer Protection and Housing on H.B. No. 1259

The purpose of this measure is to adopt revised and updated general provisions of the Uniform Commercial Code.

The State Commission to Promote Uniform Legislation and Hawaii Bankers Association testified in support of this measure.

Commercial transactions in the State are governed by the Uniform Commercial Code (Code) which is established in chapter 490, Hawaii Revised Statutes. The Code was first drafted in the early 1950s, and subsequent changes in technology and business practices have required the revision of various articles of the Code. Your Committee finds that the adoption of a revised article 1, which establishes the Code's definitions and general provisions, is consistent with the State's adoption of other revisions to the Code.

Your Committee has amended this measure:

- (1) To define "good faith" as honesty in fact, without including an exception for the use of the term in article 5 of the Code;
- (2) By deleting provisions that repeal the definitions of "good faith" throughout the Code; and
- (3) By making technical, nonsubstantive amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1259, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1259, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3107 Commerce Consumer Protection and Housing on H.B. No. 2408

The purpose of this measure is to require health insurers to provide health insurance to bona fide trade associations through association health plans (AHPs).

Testimony in support of this measure was received from the following: Department of Commerce and Consumer Affairs, The Chamber of Commerce of Hawaii, Hawaii Transportation Association, Hawaii State Bar Association, National Federation of Independent Business, Hawaii Association of Realtors, Legislative Information Services of Hawaii, Alakai Mechanical Corporation, Olsten Staffing Services Corporation, H20 Transportation, Honolulu Master Barber Association, Hawaii Financial Store, Inc., Hawaii Cinema Production, PKF Hawaii, Retail Merchants of Hawaii, Hawaii Automobile Dealers Association, and three individuals. The Hawaii Medical Service Association and Kaiser Permanente expressed concerns about the measure.

Your Committee finds that trade association members, who are not otherwise insured for health care benefits, must secure their own insurance, and that such insurance can be costly for sole proprietors or small businesses with recent histories of medical claims. Under this measure, small businesses would be able to band together through trade or professional associations to purchase affordable health insurance as a group through an AHP. An AHP would better enable members to negotiate favorable benefits and rates.

Your Committee further finds, however, that since this measure does not require full participation by an association's members, there are concerns that an association could "cherry pick" the healthiest, lowest risk members to participate in the AHP, thereby shifting higher risk members to, and raising the costs for, other health plans.

Accordingly, your Committee has amended this measure:

- (1) To take effect upon its approval, but to sunset on December 31, 2006; and
- (2) By making technical amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2408, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2408, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3108 Commerce Consumer Protection and Housing on H.B. No. 2013

The purpose of this measure is to phase out products containing brominated flame retardants by 2008.

The State of Hawaii Women's Legislative Caucus and Healthy Mothers, Healthy Babies Coalition of Hawaii testified in support of this measure. The Bromine Science and Environmental Forum opposed the measure.

Your Committee finds that flame retardants, known as polybrominated diphenyl ethers (PBDEs) are widely used in products such as furniture cushions, car seats, fabrics, and electronic casings, and that these chemicals have been found in human breast milk, household dust, air samples, fish, marine mammals, and foods. The research also indicates that PBDE exposure interferes with thyroid production of a key hormone that helps to guide brain development and may also adversely affect reproductive hormones.

Your Committee further finds that the European Union has banned two commercial mixtures of PBDE, pentaBDE and octaBDE. California has banned these mixtures as of 2008. This measure adopts a similar ban, prohibiting the manufacturing, processing, or distribution of products containing more than one-tenth of one per cent of pentaBDE or octaBDE, on or after January 1, 2008.

Your Committee has amended this measure:

- (1) To advance the effective date of the ban to January 1, 2006; and
- (2) By making technical, nonsubstantive amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2013, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2013, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3109 Commerce Consumer Protection and Housing on H.B. No. 2223

The purpose of this measure is conform the State's boxing laws to the federal boxing safety laws and current practices.

The State Boxing Commission (Commission) testified in support of this measure.

Your Committee finds that the laws governing boxing contests in Hawaii have not been substantively revised since 1986. This measure conforms state law to the federal Professional Boxing Safety Act of 1996, incorporates into law current practices and procedures, clarifies the Commission's jurisdiction over professional boxing contests, and makes general housekeeping revisions. Your Committee finds that the changes effected by this measure will facilitate the regulation of boxing contests in the State and help to protect the safety and welfare of boxers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2223, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3110 Judiciary and Hawaiian Affairs on H.B. No. 1765

The purpose of this measure is to require the expiration of the term of a state board member for the failure, without valid excuse, to attend three consecutive meetings duly noticed by the board where failure to attend results in the absence of a quorum of the board.

Comments on this measure were received from the Hawaii Civil Rights Commission.

Your Committee finds that the obligation to attend board meetings is a serious matter that should not be taken lightly by board members, who were appointed and confirmed based in major part upon their willingness to serve and dedication to public service. If the absences were without valid excuse and there was no quorum as a result, the matter becomes all the more serious.

Your Committee notes that these provisions will not apply to county boards, to ex officio members, or to advisory boards.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1765, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3111 Judiciary and Hawaiian Affairs on H.B. No. 1859

The purpose of this measure is to require members of the clergy to report cases of child abuse, but to exempt confidential clergy communications.

Prior to holding a public hearing on this measure, a proposed SD1 was prepared and made available for public review. As proposed, this measure now requires that employees and officers of the Department of Public Safety and the Department of the Attorney General are required to report child abuse or neglect cases to the respective county police departments or the Department of Human Services. Additionally, the proposed measure allows deputy sheriffs and narcotics enforcement officers with the Department of Public Safety as well as investigators with the Department of the Attorney General to take a child victim of abuse or neglect into protective custody.

Testimony in support of the proposed measure was received from the Department of Public Safety, the Department of Human Services, and one individual. Testimony in support of the original measure was received from the Children's Alliance of Hawaii, Inc.; the Christian Science Committee on Publication; the Hawaii Coalition Against Sexual Assault; Child Welfare Services, State Advisory Council; and one individual. Offering comments on the proposed measure was the Roman Catholic Church in the State of Hawaii.

Your Committee finds that the proposed measure protects the health and welfare of children by including deputy sheriffs and narcotics enforcement officers with the Department of Public Safety as well as investigators with the Department of the Attorney General within the category of law enforcement officers and employees that are required to report child abuse or neglect cases to the respective county police departments or the Department of Human Services, pursuant to section 350-1.1. Additionally, in the event that child abuse or neglect is present, deputy sheriffs and narcotics enforcement officers as well as Department of the Attorney General investigators are also allowed to take the child victim into protective custody.

Your Committee has amended the original measure by:

- (1) Deleting members of the clergy and staff members employed by religious institutions from the reporting requirements of section 350-1.1;
- (2) Clarifying that employees and officers of the Department of Public Safety and the Department of the Attorney General are required to report instances of child abuse or neglect to the respective county police departments or the Department of Human Services; and
- (3) Allowing deputy sheriffs and narcotics enforcement officers with the Department of Public Safety as well as investigators with the Department of the Attorney General to take the child victims of abuse and neglect into protective custody.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1859, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1859, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 3112 Judiciary and Hawaiian Affairs on H.B. No. 1926

The purpose of this measure is to make technical conforming amendments to the interstate agreement on qualifications of educational personnel.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii Teacher Standards Board.

Your Committee finds that this measure reflects the fact that, since the Hawaii Teacher Standards Board has assumed responsibility for the licensure and certification of teachers, they are now the responsible party within the State for matters relating to interstate licensure reciprocity, and should be recognized as such in the statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1926, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Ihara).

SCRep. 3113 Judiciary and Hawaiian Affairs on H.B. No. 1987

The purpose of this measure is to increase the fines for violation of the motor vehicle sun screening devices law.

This measure fines the owner between \$250 and \$500 and the installer between \$500 and \$1,000 for each separate offense. The installer is also required to reinstall, free of charge, a sun protective device which complies with the law or to reimburse the owner for the cost of reinstallation.

This measure also makes a business entity as the installer subject to the penalty; provides that a receipt from the installer is prima facie evidence of the identity of the installer; and requires installers to issue to the vehicle owner a certificate of compliance with the law.

Testimony in support of this measure was received from the Honolulu Police Department, Hawaii Business League, T&T Tinting Specialists, and one individual.

Your Committee finds that the current penalty of a fine between \$50 and \$250 is too low to serve as a significant deterrence. This measure would increase the fines to the owner and fine the installer. Testimony indicated that there are numerous installers who knowingly contravene the legal limits of tinting in flagrant and intentional violation of the law. This bill will help resolve this problem.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1987, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3114 Judiciary and Hawaiian Affairs on H.B. No. 1991

The purpose of this measure is to provide immunity from liability for any physician who administers an automatic external defibrillator (AED) without remuneration.

This measure also provides immunity for any person responsible for the site where an AED is located, and clarifies that immunity for AED-trained individuals applies to any AED device, regardless of location.

Testimony in support of this measure was received from the Judiciary and American Heart Association. Comments were received from the Consumer Lawyers of Hawaii.

Your Committee finds that the enactment of legislation five years ago that allowed appropriately trained lay rescuers to use AEDs resulted in the survival of dozens of cardiac arrest victims who might have died absent the legislation. The law, however, only exempted from liability persons who completed an AED program administered by a physician, which in effect blocked potential AED sites from implementing programs. Your Committee further finds that this measure, which protects physicians from liability, will help remove barriers to implementing life-saving AED programs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1991, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Ihara).

SCRep. 3115 Judiciary and Hawaiian Affairs on H.B. No. 2020

The purpose of this measure is to make it a class C felony to sell or offer to sell travel services for the purpose of promoting prostitution, and to authorize the suspension or revocation of travel agency registration for engaging in such activities.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs, Attorney General, Hawaii State Commission on the Status of Women, Sex Abuse Treatment Center, Equality Now, First Unitarian Church, and two individuals.

Your Committee finds that prostitution is inherently harmful and dehumanizing. While this is true of prostitution in any country, it is much worse in developing nations. It has been established that one local company specializes in sex tours to Thailand. Sex tourism objectifies and exploits young women and children who are either trapped or sold into prostitution due to poverty, lack of education, and limited opportunities in their home country. It is critical that strong legal deterrents be enacted to combat this crime.

For the purposes of style and clarity, your Committee has made nonsubstantive amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2020, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2020, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Ihara).

SCRep. 3116 Judiciary and Hawaiian Affairs on H.B. No. 2098

The purpose of this measure is to allow the release of a deceased person's medical records, with certain limitations, to the next of kin.

Testimony in support of this measure was submitted by Healthcare Association of Hawaii, Kaiser Permanente, and the Queen's Medical Center. Comments were submitted by the Department of the Attorney General.

Your Committee finds that many people have difficulty accessing medical records of deceased family members. These records may be needed for life insurance or worker's compensation death benefits, as well as for evidence in traffic accident lawsuits. However, due to requirements of the federal Health Insurance Portability and Accountability Act (HIPAA), a health care provider may only release the patient's medical records if that patient had a will. Absent a will, which many people do not have, the deceased's relatives will have to undergo legal proceedings that can be costly and time consuming.

Your Committee amended this measure by adopting the amendments suggested by the Department of the Attorney General to provide that a health care provider may honor a request for a deceased person's records notwithstanding applicable state confidentiality laws governing certain types of specially protected health information.

Your Committee also amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2098, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2098, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Ihara).

SCRep. 3117 Judiciary and Hawaiian Affairs on H.B. No. 2142

The purpose of this measure is to protect from public disclosure business and trade secrets and other confidential proprietary information contained within records pertaining to tenants and prospective tenants of the Natural Energy Laboratory of Hawaii Authority.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, Office of Information Practices, and Natural Energy Laboratory of Hawaii Authority (laboratory).

Your Committee finds that currently the leasing function of the laboratory requires tenants to provide detailed business plans to evaluate their potential for successful tenancy. Due to the nature of this business, the information provided is proprietary, and prospective and current tenants may potentially be harmed by public disclosure of this sensitive information. Your Committee believes that this proprietary information should not be subject to disclosure, and this measure will protect this type of information from normal sunshine law provisions.

The effect of this measure is to protect the confidentiality of trade secrets and proprietary information of private companies expending private funds and who are tenants or prospective tenants of the laboratory. This assurance would encourage potential tenants to invest in Hawaii by locating at the laboratory.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2142, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3118 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 2290

The purpose of this measure is to create a three-tier system of driver licensing, including the creation of a provisional license for persons under the age of eighteen.

This measure establishes the requirements for obtaining a provisional license, sets forth the conditions under which a young person may drive with a provisional license, and provides for a mandatory waiting period before a suspended or revoked provisional license may be reinstated.

Testimony in support of the measure was received from the Department of Transportation; the Department of Health; the Honolulu Police Department; the Hawaii Insurers Council; State Farm Mutual Automobile Insurance Company; the American Academy of Pediatrics, Hawaii Chapter; the Keiki Injury Prevention Coalition/SAFE KIDS Hawaii; and Mothers Against Drunk Driving- Hawaii. Testimony in opposition to this measure was received by the Office of the Public Defender. Offering comments on the measure was the Judiciary.

Your Committee finds that this measure creates a three-tier graduated system of driver licensing that is increasingly common across the nation. Under this graduated driver's licensing system, young drivers would be afforded the time to gain the experience, a level of comfort, and proficiency in operating an automobile under the careful supervision of a licensed adult. In addition, the nighttime provisions are designed to reduce the risks associated with the nighttime operation of an automobile by a young person who may lack the necessary experience in handling and operating an automobile.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2290, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2290, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (English). Excused, 1 (Ihara).

SCRep. 3119 Judiciary and Hawaiian Affairs on H.B. No. 2472

The purpose of this measure is to make permanent Act 292, Session Laws of Hawaii 2001, relating to the sale of sterile syringes for the prevention of disease.

This measure also repeals the requirement in Act 292 that the Director of Health implement a disposal and tracking system and report to the Legislature accordingly.

Testimony in support of this measure was received from the Department of Health, Governor's Committee on HIV/AIDS, Life Foundation, Malama Pono - Kauai AIDS Project, Community Health Outreach Work to Prevent AIDS, Hawaii HIV Prevention Community Planning Group, Drug Policy Action Group, Hawaii CARES, Association for Professionals in Infection Control and Epidemiology, Inc., Hawaii HIV Prevention Community Planning Group, and three individuals.

Act 292 permits pharmacists, physicians, and other health care institutions to sell sterile syringes. This measure would delete the sunset date and allow for the continuation of this effective public health intervention.

Your Committee finds that the Centers for Disease Control recognize that use of sterile syringes reduces spread of blood borne diseases such as HIV and hepatitis. Research has also indicated that these laws do not lead to an increase in the number of new users, but rather lead to safer use by existing users.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2472, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Ihara).

SCRep. 3120 Judiciary and Hawaiian Affairs on H.B. No. 1261

The purpose of this measure is to authorize the counties to enact ordinances that impose an actionable duty on owners of private property, on which there is a potential danger of falling rocks, to inspect and remove those rocks or otherwise mitigate any unreasonable danger to persons or property.

Prior to holding a public hearing on this measure, a proposed S.D.1 was prepared and made available for public review. The contents of the proposed S.D.1 provided security for:

- (1) The Governor and Lieutenant Governor; and
- (2) Other elected officials and the Governor's and Lieutenant Governor's immediate family members that the Director of Public Safety deems in need of protection from imminent danger.

Testimony in support of this measure was submitted by the Department of Public Safety (DPS).

Your Committee finds that the current executive security protection provisions need to be better clarified. Specifically, your Committee finds that there are situations where security protection is necessary for elected officials, as well as the Governor's, the Lieutenant Governor's, or an elected official's immediate family members. Your Committee further finds that the Director of Public Safety (Director) is the appropriate official to determine that an elected official or a family member is in imminent danger or threatened with imminent danger, and authorize security measures.

Your Committee noted concerns raised by DPS that:

- (1) The Director should have broader discretion to provide protection for spouses and dependent children of the Governor and Lieutenant Governor;
- (2) The standard for providing protection to elected public officials and their family should be lowered from "imminent danger and threats of imminent danger" to "danger or threats of danger"; and
- (3) Protection should be extended to appointed public officials and formerly elected or appointed public officials.

Your Committee also questioned DPS on whether security should be provided for dependent children of the Governor or Lieutenant Governor even in situations where that dependent child attends school in another state. DPS suggested that the Director should evaluate the circumstances and determine what level or degree of security is necessary for that particular individual. DPS further indicated that the Director should always have discretion as to the degree of security an individual should receive.

Based on DPS's concerns and testimony, your Committee adopted the amendments in the proposed S.D. 1, and amended the measure by providing that the executive security officers:

- (1) Shall provide the Governor's and Lieutenant Governor's spouses and dependent children protection to the level or degree of protection as determined by the Director;
- (2) May provide protection for:
 - (a) Any elected or appointed public official, their spouse, and their dependent children; or
 - (b) Any formerly elected or appointed official, their spouse, and their dependent children,

that the Director deems in need of protection from danger or threats of danger, as well as the level or degree of protection the Director deems necessary.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1261, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1261, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (English).

SCRep. 3121 Judiciary and Hawaiian Affairs on H.B. No. 2254

The purpose of this measure is to clarify that the definition of "sexual penetration" includes the acts of cunnilingus and anilingus whether or not actual penetration has occurred.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. The proposed change to this measure was to include greater consistency between the elements constituting the criminal offenses of sexual assault in the second degree and sexual assault in the third degree, when the offense occurs in a correctional facility by an employee against a committed person.

Testimony in support of this measure was submitted by the Department of Public Safety, Department of the Prosecuting Attorney for the City and County of Honolulu, Honolulu Police Department, Community Alliance on Prisons, the Sex Abuse Treatment Center, and one individual.

Your Committee finds that clarification of the definition for "sexual penetration" is necessary because of a recent Hawaii Supreme Court decision. Specifically, the Court held that the definition of "sexual penetration" required proof of actual penetration for the acts of cunnilingus or anilingus. A previous decision held that the act of cunnilingus is an act of "sexual penetration" under the statutory definition of "sexual penetration," irrespective of whether there was proof of actual penetration.

Your Committee finds that it is usually difficult for many sexual assault victims to know whether penetration, however slight, occurred during the act of cunnilingus. Further, the failure to provide such a clarification would reduce many sexual assaults involving acts of cunnilingus or anilingus on children under the age of consent, from a class A felony to a class C felony. Your Committees believe that the definition of sexual penetration should include the acts of cunnilingus or anilingus, regardless of whether there was actual penetration.

Your Committee also notes that Part II of this measure corrects an error in the Penal Code. Specifically, an amendment was made to the Penal Code in 2002. The purpose of the 2002 amendment was to include employees of private companies in correctional

facilities in sexual offense statutes that prohibit sexual contact and penetration with imprisoned persons or persons confined in a detention facility.

However, the language provided in that previous amendment inadvertently excluded state-employed law enforcement officers and only prohibited private company employees from committing these acts. This measure corrects the mistake by including state-employed law enforcement officers and also clarifies language relating to what does and does not constitute an offense.

Your Committee adopted the amendments in the proposed S.D. 1, and has made technical, nonsubstantive amendments to the proposed version of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2254, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3122 Commerce Consumer Protection and Housing on H.B. No. 1820

The purpose of this measure is to permit the cancellation of a motor vehicle insurance policy within the first sixty days, where cancellation is not based on prohibited discrimination, and to reduce the notice requirement for cancellation of a policy for nonpayment of premiums from thirty days to fifteen days.

The Department of Commerce and Consumer Affairs, AIG Hawaii, Hawaii Insurers Council, GEICO Direct, and Hawaii Independent Insurance Agents Association testified in support of this measure. The Consumer Lawyers of Hawaii opposed the measure.

This measure authorizes the cancellation of a new policy within the first sixty days thereof where cancellation is not based on illegal criteria. Your Committee finds that authorizing this extended underwriting period will enable insurers to ensure that a policy is properly rated while allowing consumers to obtain coverage in a timely manner.

Additionally, this measure proposes to reduce from thirty days to fifteen days the notification requirement for cancellation of a policy due to nonpayment.

Your Committee finds that the majority of the states establish a ten-day cancellation requirement, most of the other states have a fifteen-day or twenty-day notice requirement, and Hawaii, West Virginia, and the District of Columbia have a thirty-day notice requirement.

Your Committee further finds that longer notification periods are not necessarily advantageous for consumers. Shorter cancellation periods allow for smaller minimum down payment amounts and monthly payment plans, and result in lesser amounts of free coverage (coverage provided during the cancellation period), the cost of which must be spread among responsible policyholders who make their premium payments.

Your Committee has amended this measure:

- (1) To clarify that the certificate of mailing requirement for a notice of cancellation or nonrenewal applies to all such notices, and not only to a notice for cancellation based on nonpayment; and
- (2) By making technical amendments for consistency and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1820, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1820, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ige, Kim).

SCRep. 3123 Commerce Consumer Protection and Housing on H.B. No. 2426

The purpose of this measure is to conform apprenticeship requirements for the licensure of elevator mechanics to federal and state apprenticeship standards.

The Board of Elevator Mechanics testified in support of this measure.

Under national and state apprenticeship standards established by the Federal Bureau of Apprenticeship and Training and the State Department of Labor, respectively, a person training as an elevator mechanic must serve a four-year apprenticeship. This measure aligns Hawaii's elevator mechanic licensing requirements with the above standards by increasing the apprenticeship requirement from two years to four years. Your Committee finds that the requirement of additional apprenticeship training will enhance consumer protection.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2426, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ige, Kim).

SCRep. 3124 Commerce Consumer Protection and Housing on H.B. No. 2414

The purpose of this measure is to extend for another year the Insurance Commissioner's authority to monitor the solvency of dental service organizations and dental service corporations.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Act 132, Session Laws of Hawaii 2001, Regular Session (Act 132) granted the Insurance Commissioner the temporary authority to examine, supervise, rehabilitate, and liquidate dental service corporations and dental service organizations, in order to allow the Commissioner to protect consumers from the imminent failure of one of the State's dental insurers.

The Commissioner's authority was established for one year under Act 132, but subsequently extended after liquidation proceedings were initiated against the insurer. As amended, Act 132 is scheduled to sunset on July 1, 2004, and this measure proposes to continue the Commissioner's authority until July 1, 2005. Your Committee finds that an extension is warranted to enable the Commissioner to bring the liquidation proceedings to a conclusion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2414, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ige, Kim).

SCRep. 3125 Commerce Consumer Protection and Housing on H.B. No. 2539

The purpose of this measure is to exempt existing hospitals from the certificate of need requirement for a plan review use permit.

The Department of Health, Healthcare Association of Hawaii, The Queen's Medical Center, and Hawaii Pacific Health testified in support of this measure.

Your Committee finds that current law has been interpreted to require health care organizations, including existing hospitals, to obtain a certificate of need (CON) before being issued a county plan review use permit (PRU) for the construction of incremental projects or capital improvements. The PRU is a preliminary planning tool that provides a conceptual framework for construction five to ten years in the future. Since many of the plans contained in a PRU may never go forward, or are revised significantly as a plan evolves, the CON requirement for a PRU forces health care facilities to obtain CONs unnecessarily or to submit multiple CON applications to account for plan revisions.

Your Committee further finds that the PRU process is more suitable to the planning of new, total health care systems than to the construction of incremental projects in existing facilities. Therefore, this measure exempts existing hospitals from the CON requirement for a PRU, but requires that a CON be obtained before the issuance of a building permit.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2539, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ige, Kim).

SCRep. 3126 Commerce Consumer Protection and Housing on H.B. No. 2092

The purpose of this measure is to facilitate the licensure of qualified foreign-educated or foreign-trained physicians by authorizing the recognition of Canadian medical residency programs and the Canadian licensing examination.

Testimony in support of this measure was received from the Board of Medical Examiners (Board), Hawaii Pacific Health, The Chamber of Commerce of Hawaii, Hawaii Medical Service Association, and Hawaii Medical Association. An individual submitted comments on the measure.

For purposes of physician licensure, current law allows for the recognition of medical residency programs substantially equivalent to a residency program in the United States (U.S.) accredited by the Accreditation Council for Graduate Medical Education (ACGME). In the past, the Board has recognized training received in Canadian residency programs accredited by the Royal College of Physicians and Surgeons of Canada (RCPSC) and the College of Family Physicians of Canada (CFPC). Further, a Board study has confirmed that Canadian residency training is substantially similar to residency training in the U.S.

This measure codifies the Board's practice and allows graduates of U.S. and Canadian medical schools who have completed a minimum of one year of residency training in a program accredited by the RCPSC or the CFPC to qualify for licensure. This measure also allows foreign medical school graduates, who under current law must have received their residency training in an ACGME-accredited program in the U.S., to qualify for licensure with two years of training in a program accredited by the RCPSC or the CFPC. Your Committee finds that this measure will bring Hawaii into line with forty-nine other jurisdictions that allow foreign medical school graduates to fulfill their residency training requirement in accredited Canadian programs.

This measure also authorizes the recognition of the Medical Council of Canada Evaluating Examination and Qualifying Examination (MCCQE) for licensure purposes. Your Committee further finds that the MCCQE is comparable to the United States Medical Licensing Examination.

Finally, this measure requires the Board to periodically review the licensing requirements for all medical school graduates established in section 453-4(b), Hawaii Revised Statutes. Your Committee further finds that granting the Board broad authority to conduct a review of the overall licensing requirements will facilitate a more efficient and comprehensive review and analysis of the licensing requirements for physicians.

Your Committee has amended this measure by making technical amendments for purposes of style and to correctly reflect the language in the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2092, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2092, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ige, Kim).

SCRep. 3127 Judiciary and Hawaiian Affairs on H.B. No. 1770

The purpose of this measure is to provide for graduated fines for repeated violations of the motor vehicle alarm systems law.

This measure increases the fine after the third violation to \$250 for the fourth, \$375 for the fifth, and \$500 for a sixth or subsequent violation. This measure also amends section 291-24.6, Hawaii Revised Statutes, to specify that offenses are deemed violations which require the issuance of a summons or citation to the registered owner.

The measure also provides that a driver who operates a vehicle at a speed exceeding ninety miles per hour may have the person's license revoked for up to five years.

Testimony in support of this measure was received from the Department of Transportation, Honolulu Police Department, and two individuals.

This measure is intended to address the frequently occurring incidences of car alarms that activate repeatedly for one reason or another, and continue to sound for more than five minutes. These prolonged alarms are loud, unnecessary, and annoying to the general public.

Your Committee has amended this measure to change the effective date to July 1, 2010, in the interests of continuing the discussions on this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1770, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1770, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 3128 Judiciary and Hawaiian Affairs on H.B. No. 2458

The purpose of this measure is to authorize a minor's caregiver to consent to health care services for the minor and establish requirements for caregiver consent affidavits.

Testimony in support of this measure was submitted by the Department of Human Services (department), Child Welfare Services, and AARP Hawaii. Comments were submitted by the Judiciary.

The federal review of Hawaii's child welfare system recommends the use of culturally sensitive, family strengthening diversion and other supportive services to improve the safety and well-being of children and families. Your Committee finds that this measure implements the federal review's recommendations. This measure will ensure that a child will not be taken out of custody unnecessarily and will preserve the relationships that are important to every child's well-being.

Your Committee has adopted the amendments suggested by the Judiciary by:

- (1) Providing that the department may offer a caregiver diversion or legal services, as long as the department has determined that the caregiver is able to provide a safe home without the services offered; and

- (2) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2458, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2458, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Ihara).

SCRep. 3129 Ways and Means on H.B. No. 2297

The purpose of this measure is to replace the existing Parts I through IV of Article V of Chapter 560, Hawaii Revised Statutes, the Hawaii Uniform Probate Code, relating to guardianship of persons and property of minors and incapacitated persons, with the Uniform Guardianship and Protective Proceedings Act. This measure also makes conforming amendments to other statutory sections.

Your Committee finds that the current provisions of the Hawaii Uniform Probate Code relating to the guardianship of persons and property need to be modified to clarify the obligations and secure the rights of those involved in the course of establishing and carrying on these relationships. Specifically, this measure:

- (1) Stresses the importance of using full guardianships and conservatorships as the last resort and making limited guardianships and conservatorships the preferred choice between the two by permitting the court to remove only those rights that the ward or incapacitated person can not manage;
- (2) Requires the guardian or conservator to consult the ward or the protected person, when feasible, to make decisions, and requires the guardian or conservator to encourage the ward or protected person to participate in the decision-making process as much as possible and to follow the ward's or protected person's expressed desires and personal values in making decisions; and
- (3) Implements the concept of a "standby" guardian, which is a person that a parent or spouse may appoint to be a future guardian when the need for a guardian is appropriate.

Your Committee notes that this bill, as previously amended, also addresses procedural issues such as required venue and notice, clarifies the relationship between proceedings under this proposal and those in Family Court and child protective proceedings, and establishes that, while a guardian is entitled to reasonable compensation, an owner, operator, or employee of a long-term care facility may not act as guardian of the respondent unless the guardian is related to the respondent.

Your Committee has made technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2297, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2297, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, English, Kanno).

SCRep. 3130 (Majority) Ways and Means on H.B. No. 2292

The purpose of this measure is to improve court operations through the application of technological advances.

Specifically, this measure deposits into the Judiciary Computer System Special Fund fees prescribed by the Hawaii Supreme Court for the electronic filing, signing, serving, certification, and verification of documents. This measure takes effect on July 1, 2004 and is repealed on June 30, 2007.

Your Committee finds that this measure will allow the Judiciary to update and improve its computer systems to the benefit of those who use the electronic-filing capabilities described in this bill.

Upon further consideration, your Committee has amended this measure by specifying in section 6 of the bill that the repealed sections are to be reenacted in the form in which they read on June 30, 2004, rather than on an unspecified "day before the approval of this Act" because approval could occur after July 1, 2004.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2292, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2292, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Slom). Excused, 3 (Aduja, English, Kanno).

SCRep. 3131 Ways and Means on H.B. No. 2301

The purpose of this measure is to amend the judicial appellate procedure in the State.

Your Committee finds that presently all appeals from district and circuit courts in the State are filed with the Supreme Court, where they are reviewed and briefed before a determination is made whether to assign the appeal to the Supreme Court or the Intermediate Appellate Court.

This measure amends the process:

- (1) By assigning all appeals from the district, family, and circuit courts, civil and criminal, and any agency when appeals are allowed by law to the Intermediate Appellate Court;
- (2) By allowing the Intermediate Appellate Court to entertain an application, at any time prior to the issuance of a decision, requesting a transfer of the appeal to the Supreme Court, stating grounds of imperative or fundamental public importance, with the Intermediate Appellate Court having discretion to transfer the appeal and the Supreme Court having discretion to accept or reject the transfer; and
- (3) By permitting a party to apply for a writ of certiorari to the Supreme Court to seek a review of a decision and judgment of the Intermediate Appellate Court, the acceptance or rejection of which shall be solely at the discretion of the Supreme Court.

This measure further establishes an Appellate Review Task Force to review proposed changes to the appellate system of the courts and make recommendations for implementation of proposed changes to the Legislature not less than twenty days prior to the Regular Session of 2006.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2301, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, English, Kanno).

SCRep. 3132 Ways and Means on H.B. No. 1634

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Jacoby Development, Inc., develop a plasma municipal solid waste processing system on Oahu.

Your Committee finds that plasma technology is an emerging industry that uses high-powered levels of electricity to create a plasma (a form of artificial lightning) with temperatures exceeding 7,000 degrees Celsius. The development of this type of stable, efficient, and cost-effective heat source has opened the door to a wide range of applications, including the development of municipal and industrial solid waste processing systems.

Solid waste processing systems are important to Hawaii because of the tremendous amounts of solid waste generated in the State. On the island of Oahu alone, approximately 1,500,000 tons of waste is generated annually. Most of the island's solid waste is disposed of at two waste-to-energy H-POWER plants run by the city and county of Honolulu. Although these plants process over 600,000 tons of waste annually, nearly 1,400 tons of waste is landfilled daily because of HPOWER limitations.

This bill would provide the means to not only finance a project to reduce the State's need for landfill space, but would also support an emerging technology that is far superior to conventional methods of processing solid waste.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1634, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, English, Kanno).

SCRep. 3133 Ways and Means on H.B. No. 1944

The purpose of this measure is to extend the authorization date for the issuance of special purpose revenue bonds, pursuant to Act 136, Session Laws of Hawaii 2000, to assist Worldwide Energy Group, Inc.

Your Committee finds that Act 136, Session Laws of Hawaii 2000, authorized the issuance of special purpose revenue bonds in a total amount not to exceed \$50,000,000 to assist Worldwide Energy Group, Inc. in the planning, design, construction, and operation of a facility to convert agricultural green waste into fuel grade ethanol. The date for the authorization of the issuance of the bonds lapses on June 30, 2004. This measure amends Act 136 by extending the authorization date for the issuance of the bonds until June 30, 2009.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1944, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, English, Kanno).

SCRep. 3134 Ways and Means on H.B. No. 2137

The purpose of this measure is to establish a one call center and board to provide advance warnings of excavations or other work close to existing subsurface installations to protect those installations from damage.

Specifically, this measure regulates excavation activity, requires excavation identification numbers, requires utility operators to locate their facilities on the ground in areas where an excavator proposes to do work within a fixed period of time, and establishes penalties for violations of the program.

Your Committee finds that comprehensive one call centers have operated successfully for many years in all other states. Hawaii already has such a center, mandated by federal regulation, but it serves only fuel pipeline operators. A comprehensive center that protects all utilities will increase excavating safety and minimize service outages, economic disruptions, and hazards to public safety and health.

Your Committee notes that the effective date is July 1, 2050, and the measure is repealed on December 31, 2050, to facilitate continuing discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2137, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Aduja, English, Espero, Inouye, Kanno, Sakamoto).

SCRep. 3135 Ways and Means on H.B. No. 2170

The purpose of this measure is to authorize the issuance of \$20,000,000 in special purpose revenue bonds for construction improvements and expansion for the Rehabilitation Hospital of the Pacific.

Your Committee finds that the Rehabilitation Hospital of the Pacific is the only rehabilitation hospital in Hawaii and provides much needed services to the residents of the State. The hospital needs to finance construction improvements and to expand its in-patient and outpatient service capabilities.

Your Committee further finds that the financing of the project in this measure constitutes assistance to a not-for-profit health care facility that serves the general public and is in the public interest.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2170, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Aduja, English, Kanno).

SCRep. 3136 Ways and Means on H.B. No. 2840

The purpose of this measure is to fund a portion of the matching funds needed for the Hawaii Community Development Authority to receive federal grant moneys from the United States Department of Commerce, Economic Development Administration to conduct economic master planning for Kalaeloa.

Your Committee finds that Hawaii's growing economy offers new opportunities for Kapolei -- Oahu's "second city". Development in this area, which is lacking in job growth, would support a major component of Hawaii's twenty-first century "knowledge economy", build a strong, diverse economic base for the area, and expand the opportunities for existing and new businesses.

Further, your Committee finds that in order to maximize the economic potential of Kalaeloa, a comprehensive, well-organized master plan is needed to analyze potential uses and determine the most beneficial use of the area. As the United States Department of Commerce, Economic Development Administration recently made grant moneys available to develop such a plan, your Committee believes that matching funds should be appropriated to ensure that the grant moneys are received for this development.

Your Committee amended this measure by changing the amount appropriated from a blank amount to \$1 in order to facilitate continued discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2840, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2840, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Aduja, English, Espero, Inouye, Kanno, Sakamoto).

SCRep. 3137 (Majority) Ways and Means on H.B. No. 1885

The purpose of this measure is to appropriate funds for a youth summit to bring Hawaii's youth to a forum to discuss issues important in their lives.

Your Committee finds that Hawaii's youth should play a more active role in evaluating and addressing youth issues and improving their quality of life.

Your Committee has amended this measure by inserting \$1 as the amount of the appropriation to promote further discussion and development on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1885, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1885, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Aduja, English, Kanno).

SCRep. 3138 Ways and Means on H.B. No. 2022

The purpose of this measure is to clarify eligibility requirements for individuals with disabilities who receive general assistance.

Presently, a general assistance applicant is required to apply for assistance under either a physical or mental disability. The law makes no provisions for consideration of both physical and mental disabilities. Thus, an applicant with both a physical and mental disability, will only be granted assistance if the physical or mental disability alone meets the criteria for disability.

This bill would:

- (1) Allow an individual who is unable to engage in any substantial gainful employment due to a physical and mental disability to be eligible for general assistance;
- (2) Require the Department of Human Services to notify an applicant of free legal services and provide the applicant ten days to obtain additional medical evidence *before* a claim is denied;
- (3) Permit time extensions for denied claims; and
- (4) Require the Department to provide the applicant with a complete and legible copy of the applicant's recommended treatment, if the claim is approved.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2022, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, English, Kanno).

SCRep. 3139 Ways and Means on H.B. No. 2459

The purpose of this measure is to clarify that, for purposes of the covered loss deductible, public assistance benefits are not personal injury protection benefits.

Your Committee finds that the Department of Human Services is required by federal law to pursue reimbursement from third parties and insurers liable for any injuries or payment of reimbursement obligations as a result of any injury, disease, or death. Because half of the moneys recovered in these cases belong to the federal government, the Department either reimburses the federal government or adjustments are made in future disbursements to the Department.

Presently, the covered loss deductible under section 431:10C-301.5, Hawaii Revised Statutes, requires that any judgment, settlement, or award of any automobile liability claim be reduced by \$5,000 or the amount of personal injury protection benefits incurred, whichever is greater, up to the maximum limit. As a result, the recipients of government medical assistance have the cost of medical services deducted from an award or settlement due to the covered loss deductible. Your Committee believes that it is unfair that they be made to pay twice for these services when they are also required to repay the government for the cost of medical services.

Upon further consideration, your Committee has made a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2459, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2459, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, English, Kanno).

SCRep. 3140 (Majority) Ways and Means on H.B. No. 1856

The purpose of this measure is to appropriate funds to the University of Hawaii to allow the university's student caucus to hold meetings with its member campuses and constituents.

Your Committee finds that the University of Hawaii student caucus is officially recognized by the Board of Regents and is included in the systemwide organizational chart. Your Committee further finds that the student caucus has demonstrated their capability to be

an effective and independent student voice. Their knowledge and perspective in the formulation of programs and educational policy issues have benefited both the University of Hawaii and the State.

Your Committee has amended this measure by changing the appropriation amount from \$1 to a blank amount in order to promote continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1856, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1856, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, 3 (Hemmings, Slom, Trimble). Excused, 5 (Aduja, English, Inouye, Kanno, Sakamoto).

SCRep. 3141 Ways and Means on H.B. No. 1893

The purpose of this measure is to outline the components necessary to comply with the federal stipulations for receiving funds under the Gaining Early Access and Readiness for Undergraduate Programs (GEAR UP).

Specifically, this measure,

- (1) Confirms the authority of the University of Hawaii to establish a separate charitable trust to hold funds received under GEAR UP until they can be awarded to individual students from among the class of eligible scholarship recipients;
- (2) Exempts the establishment of the trust and specification of scholarship recipient eligibility criteria under the trust from the definitions of "rules" or "rulemaking" within the meaning of and subject to the provisions of chapter 91, Hawaii Revised Statutes (the Hawaii Administrative Procedure Act), and the processes and procedures mandated for rulemaking;
- (3) Confirms the private nature of the trust;
- (4) Confirms that the charitable trust is not part of the State or any of its political subdivisions, or otherwise deemed a public or quasi-public entity; and
- (5) Confirms that the initial funding of or a future transfer to the trust by the University of Hawaii, or any of its subdivisions, does not constitute a state grant or subsidy.

Your Committee finds that scholarships can be valuable tools to motivate students by rewarding progress and providing incentives for them to persevere in their efforts to obtain a higher education. GEAR UP grants will make a substantial contribution to the scholarship funds available in Hawaii. Your Committee further finds that the scholarship component of all GEAR UP grants requires the University to comply with several federal stipulations. This measure will help ensure that these stipulations are complied with so that the GEAR UP grants are disbursed properly.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1893, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Aduja, English, Inouye, Kanno, Sakamoto).

SCRep. 3142 Ways and Means on H.B. No. 1929

The purpose of this measure is to appropriate funds for the Hawaii 3R's program.

Your Committee finds that the Hawaii 3R's program is comprised of volunteer workers from the military, public schools, community organizations, and trade unions who have united under one common cause - to tackle the estimated \$640,000,000 backlog of repair and maintenance projects in Hawaii's public schools.

During the past three years, the State has appropriated a total of \$1,148,688 to the Hawaii 3R's program, which has leveraged the funds to acquire additional private and federal moneys to complete \$5,736,000 in repair and maintenance projects. The program thus far has saved the State over \$4,600,000 and has also secured \$1,000,000 in federal funds for military and military-impacted schools and \$1,000,000 in federal funds through the Native Hawaiian Education Act.

Your Committee also finds that state funds are critical to the program because federal funds can only be expended on qualified schools based on military status or Hawaiian populations. Without state funds, the 3R's program would be unable to assist the sixty-five other schools that do not qualify for federal assistance.

Your Committee has amended the bill by:

- (1) Changing the appropriation for the coordinator position to a blank amount to promote further discussion;
- (2) Changing the name of the coordinator position; and
- (3) Making technical nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1929, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1929, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Aduja, English, Inouye, Kanno, Sakamoto).

SCRep. 3143 Ways and Means on H.B. No. 2547

The purpose of this measure is to authorize the State Auditor to oversee the expenditures from the University of Hawaii tuition and fees special fund for the benefit of the University of Hawaii Foundation.

Furthermore, this measure subjects the Auditor to the same restrictions on the disclosure of records as the University of Hawaii Foundation.

Your Committee finds that current law authorizes the Board of Regents to make expenditures from the special fund for the purposes of generating private donations for deposit into the University of Hawaii Foundation. The Foundation therefore utilizes state funds. However, the Foundation is a private, nonprofit entity. The Auditor presently has no power to examine the Foundation's use of those funds, since the Auditor's oversight powers are statutorily limited to the records, documents, and transactions of state agencies.

Accordingly, this measure is necessary to facilitate the Auditor's access to information from the University of Hawaii Foundation in order to audit the Foundation's use of state funds, with due regard for the privacy concerns of donors.

Your Committee has amended this measure by replacing the contents of this bill with the substance of S.B. No. 3013, S.D. 2, which your Committee passed out of committee earlier this session and which deals with the same subject matter.

As amended, this measure clarifies that the fund that must be reported with respect to all transfers of moneys is "any fund" of the university, rather than the university support fund. Furthermore, this measure deletes the provision that prohibits the Auditor from identifying the private donor upon the donor's written request.

Your Committee has also amended this measure by correcting a typographical error in the underlying statute being amended.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2547, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2547, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Aduja, English, Inouye, Kanno).

SCRep. 3144 Ways and Means on H.B. No. 2667

The purpose of this measure is to authorize the Department of Education to establish and implement a Hawaiian language medium education program.

Specifically, this measure authorizes the program to be established as a complete educational program or schooling experience provided to students in the medium of the Hawaiian language. Furthermore, this bill authorizes the Department of Education to provide facilities for the program or provide transportation to schooling sites providing the program.

Your Committee finds that in April 2001, the Board of Education adopted a policy to support the perpetuation of the Hawaiian language and culture through the programs in the public schools. The adoption of this policy follows the May 2000 settlement agreement between the Department of Education and the Office of Hawaiian Affairs that creates a five-year partnership between the two agencies for the support of the Hawaiian Language Immersion Program. Your Committee finds that this measure provides official legislative support to the Department's commitment to Hawaiian language immersion programs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2667, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Aduja, English, Inouye, Kanno).

SCRep. 3145 Ways and Means on H.B. No. 2815

The purpose of this measure is to authorize the Director of Finance to issue general obligation bonds to allow the Department of Education to finance its statewide projects under the federal Qualified Zone Academy Bonds program.

Your Committee finds that the federal Qualified Zone Academy Bonds program allows eligible schools to raise funds to renovate and repair buildings, invest in equipment and current technology, develop challenging criteria, and train quality teachers. Accordingly, participation in the program will bring federal funds into the State and expand the State's economy while improving the educational system.

Your Committee has amended this measure by changing the appropriation figure from a blank amount to \$1 and the effective date from July 1, 2004, to July 1, 2044, in order to promote continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2815, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2815, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, English, Kanno).

SCRep. 3146 Ways and Means on H.B. No. 2911

The purpose of this measure is to clarify the applicability of county laws relating to land use and public health on new century charter schools.

Your Committee finds that this measure makes it clear that new century charter schools shall be subject to county laws, codes, and rules governing land use and public health and safety to the extent that those laws, codes, and rules apply to other public schools. The measure further subjects new century charter schools to audits and inspections by the charter school administrative office.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2911, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, English, Kanno).

SCRep. 3147 Commerce Consumer Protection and Housing on S.C.R. No. 3

The purpose of this measure is to request the Auditor to compare professional and vocational regulation in Hawaii with regulation in other states and to recommend whether Hawaii's regulatory requirements are necessary to protect the health, safety, or welfare of consumers.

The Department of Commerce and Consumer Affairs (DCCA) and Hawaii Association of Realtors testified in support of this measure.

Your Committee finds that some of the professional and vocational regulatory programs administered by DCCA have come under criticism as unnecessary, counterproductive, or favoring the interests of regulated businesses over the interests of consumers. This measure will help to assess the validity of these criticisms and assist DCCA in determining whether regulation of a particular profession or industry should be implemented, maintained, or terminated based on the criteria set forth in the Hawaii Regulatory Licensing Reform Act.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 3 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ige, Kim).

SCRep. 3148 Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 258

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. No. 258 DAVID M. SAITO, MD, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of the nominee was received from the Department of Transportation and Hawaii Medical Association.

DAVID M. SAITO, M.D. is currently a general internist and primary care physician in private practice. He received a BS degree in 1980 from Case Western Reserve University in biomedical engineering with honors, and an MD degree from the University of Hawaii, John A. Burns School of Medicine in 1987. He completed the University of Hawaii integrated medical residency program in 1990, for which he served as the Chief Medical Resident from 1990-1991. The nominee began his medical career as the Assistant Director of Medical Education for Kuakini Medical Center and a physician for the Medical Arts Center. He has since then practiced general internal medicine for over a decade. He has served as the Chief of Medicine at Kapiolani Medical Center at Pali Momi, from 1997-2001, and now serves as the Quality Council Chairman and on the Medical Executive Committee for Kapiolani Medical Center at Pali Momi. He concurrently serves as the Utilization Management Committee Chairman and the Pharmacy and Therapeutics Committee Chairman for St. Francis Medical Center-West. He is also credentialed at the Queen's Medical Center, Kuakini Medical Center, and Wahiawa General Hospital. The nominee is a member of the American Medical Association, Hawaii Medical Association, Honolulu County Medical Association, American Diabetes Association, American College of Physicians, Hawaii Society of Internal Medicine, and American College of Physician Executives.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Whalen).

SCRep. 3149 Commerce Consumer Protection and Housing on Gov. Msg. No. 278

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 278 WARREN J. FERREIRA, MA, CPP, for a term to expire 06-30-05,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of the nominee from the United States Attorney for the District of Hawaii, Chief of Police for the City and County of Honolulu, Prosecuting Attorney for the City and County of Honolulu, Safeguard Services, Inc., and an individual.

WARREN J. FERREIRA is a licensed private detective and guard and is the Corporate Director of Security and Support Services for the Outrigger Hotels and Resorts. He has been in the private security field since 1990. Prior to that, Mr. Ferreira had over twenty-nine years of experience in police work with the Honolulu Police Department, with the last six and one-half years as the Deputy Chief and second-in-command of the department. He has lectured at the university level in the areas of criminal justice and political science. Mr. Ferreira has served on a number of select committees and at present is a member of the Standing Committee on Disaster Preparedness for the American Society for Industrial Security and the International Association of Professional Security Consultants. He is a current member of the Board of Private Detectives and Guards. He is also the immediate past president of CrimeStoppers Honolulu and the Hawaii Visitor Industry Security Association, the past chairman of the Visitor Aloha Society of Hawaii, and the current president of the Fountains at Makiki Condominium Association. Mr. Ferreira received a Bachelor of General Studies degree in business, with distinction, from Chaminade University in 1973 and a Master of Arts degree in public administration from Central Michigan University in 1976. He was also certified as a Certified Protection Professional by the American Society for Industrial Security in 1988 and as a Certified Homeland Security Specialist by the American College of Forensic Examiners International in 2003.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 3150 Commerce Consumer Protection and Housing on Gov. Msg. No. 300

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF VETERINARY EXAMINERS

G.M. No. 300 JAMIE W. FURUTANI, DVM, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of the nominee from an individual.

Jamie W. Furutani is a practicing veterinarian with seven years experience in treating small animals such as dogs, cats, birds, rabbits, and exotic pets. She is affiliated with the Waipahu-Leeward Veterinary Clinic where she began working as a veterinary technician in 1993. Ms. Furutani is an active member of the American Veterinary Medical Association and the Hawaii Veterinary Medical Association. Ms. Furutani is a graduate of Maryknoll High School, received a Bachelor of Science degree in Biology from the University of Oregon, and received a Doctor of Veterinary Medicine degree from the Oregon State University, College of Veterinary Medicine.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 3151 Judiciary and Hawaiian Affairs on Jud. Com. No. 4

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE THIRD CIRCUIT, STATE OF HAWAII

J.C. NO. 4 BARBARA T. TAKASE,

Upon review of the résumé, application for judicial office, letter from the nominee dated March 29, 2004, and testimony, your Committee finds that Barbara T. Takase graduated with a BA degree and teaching certificate from the University of Hawaii in Hilo. She also received a JD degree from the William S. Richardson School of Law. The nominee worked at the County of Hawaii's Department of the Prosecuting Attorney as a Victim-Witness Counselor for four years and as a Deputy Prosecuting Attorney for nine years. The nominee was also a Department of Education hearings officer for "Felix" cases, and since 1999, she has been a Per Diem Judge in District and Family Court. Currently, the nominee continues as a Per Diem Judge and also has a private practice.

Testimony in support of this nominee was submitted by the Hawaii State Bar Association (HSBA), Office of the Corporation Counsel for the County of Hawaii, Office of the Prosecuting Attorney for the County of Hawaii, the Chairman of the Hawaii County Council, nine attorneys, and one individual.

The Board of Directors of the HSBA has found the nominee to be qualified to serve as a judge in the District Court in the Third Circuit. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate is asked to submit a resume, respond to a questionnaire, and to appear before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination. Your Committee further finds that the nominee's experience in the District and Family Court of the Third Circuit will serve her well in a permanent position on the bench and facilitate an expedient transition.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 3152 Judiciary and Hawaiian Affairs on Gov. Msg. No. 411

Recommending that the Senate advise and consent to the nomination of the following:

CIRCUIT COURT OF THE THIRD CIRCUIT, STATE OF HAWAII

G.M. No. 411 GLENN S. HARA, for a term of ten years,

Upon review of the résumé, application for judicial office, letter from the nominee dated March 30, 2004, and testimony, your Committee finds that Glenn S. Hara graduated with a BA and JD degree from Stanford University and was a law clerk for former Hawaii Supreme Court Associate Justice Kazuhisa Abe. The nominee has an extensive legal background. He worked in the Judge Advocate General's Corps for the U.S. Army and Attorney General's Office and has been in private practice since 1979. While in private practice, the nominee has been a Grand Jury Counsel, a Per Diem Judge, an Arbitrator for the Court Annexed Arbitration Program since 1987, and a partner at Roehrig, Roehrig, Wilson and Hara since 1987.

Testimony in support of this nominee was submitted by the Hawaii State Bar Association (HSBA), County of Hawaii, Office of the Corporation Counsel for the County of Hawaii, Office of the Prosecuting Attorney for the County of Hawaii, the Chairman of the Hawaii County Council, Fireplace and Home Center, Mermel, Inc., T&T Electric Inc., six attorneys, and two individuals.

The Board of Directors of the HSBA has found the nominee to be highly qualified to serve as a judge in the Circuit Court in the Third Circuit. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate is asked to submit a resume, respond to a questionnaire, and to appear before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination. Your Committee further finds that this nominee's vast and diverse experience in practicing law, as well as his former experience as a Per Diem Judge, will serve him well in a permanent position on the bench and facilitate an expedient transition.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 3153 Commerce Consumer Protection and Housing on Gov. Msg. No. 279

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PSYCHOLOGY

G.M. No. 279 ELAINE MARIE HEIBY, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of the nominee from two individuals.

ELAINE MARIE HEIBY is a licensed psychologist and a professor of psychology at the University of Hawaii at Manoa. She also served as the Director of Clinical Training and Chair of Graduate Studies for the University's Department of Psychology. Dr. Heiby is widely published and is recognized nationally as a leading scholar in clinical psychology and its practical applications. She has published over eighty articles in professional journals, newsletters, and books pertaining to clinical psychology. Dr. Heiby also has served on a variety of boards and committees, both nationally and locally, that deal with mental health issues. She received the prestigious Distinguished Service Award in 1997 from the Hawaii Psychological Association for her contributions to the promotion of mental health in Hawaii. Dr. Heiby graduated magna cum laude from Case Western Reserve University in 1974 with a Bachelor of Arts in psychology. She earned a Master of Arts in psychology in 1976 and a Doctorate of Philosophy in Clinical Psychology and Learning and Motivation in 1980 from the University of Illinois at Chicago.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 3154 Health on Gov. Msg. Nos. 238 and 239

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, WEST OAHU SUBAREA

G.M. No. 238 JOYCE M. O'BRIEN, for a term to expire 06-30-07; and

G.M. No. 239 INAM UR RAHMAN, MD, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Health Planning Council, West Oahu Subarea.

Testimony in support of JOYCE M. O'BRIEN was received from the State Health Planning and Development Agency. Joyce M. O'Brien is the Associate Director for the Waianae Coast Comprehensive Health Center (WCCHC). She obtained her Bachelors degree in sociology from West Oahu College and her Masters degree in public health from the University of Hawaii. She has also served as WCCHC's Health Education Director and HIV Project Coordinator. Her community activities include Waianae Coast Coalition, Ke Ola Mamo, and Waianae Coast Day Care Center. The nominee has been a member of the Health Planning Council, West Oahu Subarea since 1999.

Testimony in support of INAM UR RAHMAN, MD was received from the State Health Planning and Development Agency, Hawaii Medical Association, and Royal Kiawe, Inc. Dr. Inam Ur Rahman is an internal medicine physician in private practice in Honolulu and Ewa Beach. He obtained his Masters of Business from Hawaii Pacific University, his Masters in Science from Harvard University and New York Medical College, and his Medical degree from the Universidad Mundial Dominicana in the Dominican Republic. He received his formal training in internal and nuclear medicine at the University of Hawaii, John Burns School of Medicine and Mount Sinai School of Medicine in New York. The nominee is founder of the Diabetes Clinic and the incoming president of the Hawaii Medical Association. He is also the host of a weekly radio program "Healers of the New Millennium".

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 3155 Health on Gov. Msg. Nos. 235, 236 and 237

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, MAUI COUNTY SUBAREA

G.M. No. 235 GLENN S. IZAWA, for a term to expire 06-30-07;

G.M. No. 236 JOHN ORNELLAS, for a term to expire 06-30-07; and

G.M. No. 237 ELAINE J. SLAVINSKY, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Health Planning Council, Maui County Subarea.

Testimony in support of GLENN S. IZAWA was received from the State Health Planning and Development Agency. Glenn S. Izawa is a licensed social worker for the State Adult Mental Health Division on Molokai and has served in this capacity for the past thirty years. He received his Bachelors and Masters degrees in social work from the University of Hawaii. The nominee served with the United States Army from 1968 to 1971. His community activities include Molokai Health Foundation, Molokai Community Service Council, Inc., and Selective Service Board. He served on the Health Planning Council, Maui County Subarea, in the late 1970s.

Testimony in support of JOHN ORNELLAS was received from the State Health Planning and Development Agency. John Ornellas is the Property Manager for Castle & Cooke Resorts. He attended San Diego State University and National University. The nominee served in the United States Navy from 1970 to 1979. His community activities include the School Community Based Management for Lanai, Hawaii Islands Dental Health Task Force, and the Lions Club. The nominee has represented Lanai on the Health Planning Council Maui County Subarea for the past five years and is the current Chair.

Testimony in support of ELAINE J. SLAVINSKY was received from the State Health Planning and Development Agency, Maui County Office on Aging, Hospice Maui, and three individuals. Elaine J. Slavinsky is a certified nurse and serves as the Clinical Director for Hospice Maui. She received her Bachelors degree in political science from the University of Massachusetts and her Associate degree in nursing from Massachusetts Bay Community College. She obtained two Masters degrees in Educational Administration and Community Health Development from the University of Hawaii. She has served the Maui health community as a nurse consultant, instructor, and lecturer for over twenty-five years at various organizations including Maui Memorial Medical Center, Kula Hospital, Hana Community Health Center, and Hospice Maui. Her community activities include American Organization of Nurse Executives, American Nurses' Association, American Public Health Association, Junior Achievement, Maui Arts and Cultural Center, and Kiwanis Club of Kahului. The nominee was also awarded Hawaii Nurse of the Year in 2001.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 3156 Health on Gov. Msg. Nos. 213, 214, 215 and 216

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. No. 213 JENNIE A. PANG, for a term to expire 06-30-06;

G.M. No. 214 JAMES PAPAYOANOU, for a term to expire 06-30-07;

G.M. No. 215 ANDY SCHWARTZ, MD, for a term to expire 06-30-07; and

G.M. No. 216 CRAIG THOMAS, MD, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Emergency Medical Services Advisory Committee.

Your Committee received testimony in support of JENNIE A. PANG from the Department of Health and three individuals. Ms. Pang served as office manager to Glenn M.L. Pang, M.D., Inc. for twenty years. She continues to perform fiscal and administrative duties for the medical practice on a part-time basis. Ms. Pang holds a Bachelor of Arts degree in sociology from San Jose State University. She is a member of various professional organizations including the Hawaii Medical Association Auxiliary and Hawaii Federation of Physicians and Dentists.

Your Committee received testimony in support of JAMES PAPAYOANOU from the Department of Health and three individuals. Dr. Papayoanou has been an oral surgeon for twenty-three years. After performing general dentistry work in the United States Army Dental Corps, he started a private practice on Oahu. Dr. Papayoanou is an active staff member at Castle Medical Center as well as active in various professional organizations. He earned his doctorate of dental surgery from the Columbia University School of Dental and Oral Surgery.

Your Committee received testimony in support of ANDY SCHWARTZ, MD, from the Department of Health. Dr. Schwartz has been a member of the emergency department staff of Queen's Medical Center for twenty-four years. He currently serves as the medical director of Queen's emergency department and president of The Emergency Group, Inc. For the past twenty years, Dr. Schwartz has been an assistant clinical professor of surgery at the University of Hawaii John A. Burns School of Medicine. He earned his medical degree from the University of Cincinnati College of Medicine. Dr. Schwartz also holds a Bachelor of Arts in philosophy and psychology from Yale University. He is active in various community organizations including the DUI Task Force, Mother's Against Drunk Driving, and Domestic Violence Coalition and Legal Hotline.

Your Committee received testimony in support of CRAIG THOMAS, MD, from the Department of Health. Dr. Thomas has been an emergency physician for twenty-one years. He is the president of Hawaii Emergency Physicians Associated, Inc. and medical director for the Honolulu Fire Department. In addition, Dr. Thomas serves as Defibrillation Director for the Honolulu Police Department, Aloha Airlines, and Aloha Island Airlines. He previously spent fifteen years as medical director of the emergency department of Wahiawa General Hospital. Dr. Thomas is a faculty member of the University of Hawaii's School of Nursing and John A. Burns School of Medicine. He is also active in numerous professional organizations and has co-authored several publications on the first aid and medical treatment of injuries in Hawaii. Dr. Thomas earned his medical degree from the University of Washington.

Your Committee finds that these individuals possess a wealth of experience and strong commitment to the health and well-being of our community. Your Committee further finds that all of the nominees are currently serving in an interim capacity on the Emergency Medical Services Advisory Committee and thus are very familiar with the duties and responsibilities of that Committee.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 3157 Health on Gov. Msg. No. 227

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, KAUA'I COUNTY SUBAREA

G.M. No. 227 STANLEY G. YATES, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Health Planning Council, Kaua'i County Subarea.

Testimony in support of STANLEY G. YATES was received from the State Health Planning and Development Agency, Department of Health, Kauai District, and State Council on Developmental Disabilities, Kauai Committee. Stanley G. Yates was a Kauai Program Specialist for the Department of Health, Commission on Persons with Disabilities. He received his Bachelors degrees in microbiology and chemistry and his Masters degree in biochemistry from the University of Washington. His community activities include president of the Hemophilia Foundation of Hawaii, board member of the Hawaii Centers for Independent Living, Long Term Care Sub-Committee, and Kauai Emergency Medical Systems. The nominee has served on the State Health Planning Council, Kaua'i County Subarea for six years and currently serves as the Vice Chair.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 3158 Health on Gov. Msg. Nos. 222, 223, 224, 225 and 226

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 222 WILLIAM GERALD CHUNG, for a term to expire 06-30-07;

G.M. No. 223 PATTY FOLEY, for a term to expire 06-30-07;

G.M. No. 224 DAVID W. HEYWOOD, for a term to expire 06-30-06;

G.M. No. 225 CLYDE SMITH, MD, for a term to expire 06-30-07; and

G.M. No. 226 LOIS E. WEISS, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Statewide Health Coordinating Council.

Testimony in support of WILLIAM G. CHUNG was received from the State Health Planning and Development Agency, Hawaii Business Health Council, and one individual. William G. Chung is the Vice President, Personnel and Industrial Relations for Hawaiian Tug & Barge/Young Brothers, Ltd. and has held this position since 1990. He graduated from the United States Naval Academy, Annapolis with a degree in engineering and economics. After serving as a lieutenant commander for the U.S. Navy for twelve years, the nominee worked as a Nuclear Engineer at Pearl Harbor Shipyard and a Betterment Engineer at Hawaiian Electric Company, where he eventually became the Director of Labor Relations. Over the past five years the nominee has served as an officer for the Hawaii Business Health Council and has also participated in the Quality Health Alliance. The nominee has served in the Statewide Health Coordinating Council since his interim appointment in 2003.

Testimony in support of PATTY FOLEY was received from the State Health Planning and Development Agency and two individuals. Patty Foley is the Corporate Director of the Human Resource Service Center for Outrigger Hotels & Resorts and has been employed by Outrigger Hotels & Resorts for the past fourteen years. She attended Western New England College and graduated with a Bachelors degree in business administration. Prior to her employment with Outrigger Hotels & Resorts, the nominee worked for the Queens Health Care Plan, Provident Life & Accident, and Island Care. Her community activities include past president of the Hawaii Business Health Council, board member of the Hawaii Association of Health Underwriters, past president of the Hawaii Compensation Group, and volunteer at the Nuuanu YMCA. The nominee was appointed to the Statewide Health Coordinating Council in 1999 and currently serves as Chair.

Testimony in support of DAVID W. HEYWOOD was received from the State Health Planning and Development Agency. David Heywood is the Vice President of Hawaii Pacific Health and the President of Providers Insurance Corporation. He received his Bachelors in political science from the University of Michigan and obtained his Masters in business administration from Wayne State University. The nominee began his career in the Henry Ford Health System in Michigan and in 1990 became the Chief Financial and Operating Officers of Queen's Health Plans. His community activities include Hawaii Association of Health Plans, Healthcare Financial Management Association, Kai Makana, AYSO, and the March of Dimes. The nominee has served on the Statewide Health Coordinating Council since his interim appointment in 2003.

Testimony in support of CLYDE SMITH, MD was received from the State Health Planning and Development Agency, Saint Andrew's Cathedral, and two individuals. Dr. Clyde Smith is a retired radiologist, who practiced for thirty-five years in Greenwood, Mississippi. He received his Bachelors in Science from Mercer University and his Medical Doctorate from Medical College of Georgia. He completed his residency at the University Hospital, Birmingham, Alabama and is board certified in radiology. Throughout his medical career, the nominee practiced in Alabama and Mississippi, holding positions in the American Board of Radiology, American College of Radiology, Mississippi Radiological Society, Delta Medical Society, Greenwood Leflore Hospital, and the University of the South in Sewanee, Tennessee. The nominee also served as a medical officer for the United States Air Force. His community activities include St. Andrew's Cathedral Foundation and the Rotary Club of Windward Oahu. The nominee has served on the Statewide Health Coordinating Council since his interim appointment in 2003.

Testimony in support of LOIS E. WEISS was received from the State Health Planning and Development Agency, Speech & Language Pathology Associates, and one individual. Lois E. Weiss is an associate professor in Speech Pathology at the University of Hawaii, John Burns School of Medicine. She graduated from Kent State University with a Bachelors degree in speech and hearing and a Masters degree in audiology. She received her second Masters degree and Ph.D. in speech pathology from the University of Nevada, Reno. She is a licensed speech pathologist and hearing aid dealer and fitter, and is certified in both speech pathology and audiology. The nominee is the president of the Hawaii Speech and Hearing Association and the co-coordinator of the Hawaii State Tri-Alliance. The nominee has served on the Statewide Health Coordinating Council since her interim appointment in 2003.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 3159 Commerce Consumer Protection and Housing on Gov. Msg. No. 376

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOXING COMMISSION OF HAWAII

G.M. No. 376 WILLES LEE, for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of WILLES LEE from the Department of Commerce and Consumer Affairs and two individuals. Mr. Lee graduated from the United States Military Academy at West Point with a Bachelor of Science degree in

Engineering. Mr. Lee also holds a Masters Degree in Public Administration from Central Michigan University. Mr. Lee served in the United States Army for over twenty-four years in a number of leadership positions, including the command of soldiers at the platoon, company, battalion, and installation levels in war as well as in peacetime. Mr. Lee also served as the Action Officer and Branch Chief for the Chairman of the Joint Chiefs of Staff at the Pentagon. In addition to his distinguished military career, Mr. Lee was also a Senior Account Executive for an international telecommunications company and worked with company engineers to increase company sales in the Pacific region.

Mr. Lee has been serving as an interim appointment on the State Boxing Commission since May 2003 and has tirelessly worked with other Commission members in revising and updating Hawaii's boxing law so that it conforms to the requirements of federal law. Mr. Lee's experience and familiarity with the issues before the State Boxing Commission make him well qualified for appointment to the Commission.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ige).

SCRep. 3160 (Joint) Commerce Consumer Protection and Housing, Health and Transportation, Military Affairs, and Government Operations on S.C.R. No. 56

The purpose of this measure is to urge the President of the United States and Congress to repeal the ban prohibiting the federal government from negotiating prescription drug prices with pharmaceutical companies.

The Hawaii Government Employees Association, Hawaii Alliance for Retired Americans, Policy Advisory Board for Elder Affairs, and The League of Women Voters of Hawaii testified in support of this measure.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 contains a "noninterference" clause that prohibits the Secretary of Health and Human Services from interfering with negotiations between drug manufacturers and pharmacies and prescription drug plan sponsors, and from instituting a price structure for the reimbursement of covered part D drugs.

Your Committees find that this prohibition precludes the federal government from taking advantage of the purchasing power of millions of Medicare beneficiaries to obtain drugs at discounted prices. Therefore, this measure exhorts the President and Congress to repeal the prohibition. Your Committees further find that authorizing the federal government to negotiate reduced prices for prescription drugs will help to produce savings for both the Medicare program and taxpayers.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Health and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 56 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 6 (Aduja, Ige, Inouye, Kanno, Kim, Hogue).

SCRep. 3161 (Joint) Commerce Consumer Protection and Housing, Health and Transportation, Military Affairs, and Government Operations on S.R. No. 24

The purpose of this measure is to urge the President of the United States and Congress to repeal the ban prohibiting the federal government from negotiating prescription drug prices with pharmaceutical companies.

The Hawaii Government Employees Association, Hawaii Alliance for Retired Americans, Policy Advisory Board for Elder Affairs, and The League of Women Voters of Hawaii testified in support of this measure.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 contains a "noninterference" clause that prohibits the Secretary of Health and Human Services from interfering with negotiations between drug manufacturers and pharmacies and prescription drug plan sponsors, and from instituting a price structure for the reimbursement of covered part D drugs.

Your Committees find that this prohibition precludes the federal government from taking advantage of the purchasing power of millions of Medicare beneficiaries to obtain drugs at discounted prices. Therefore, this measure exhorts the President and Congress to repeal the prohibition. Your Committees further find that authorizing the federal government to negotiate reduced prices for prescription drugs will help to produce savings for both the Medicare program and taxpayers.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Health and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 24 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 6 (Aduja, Ige, Inouye, Kanno, Kim, Hogue).

SCRep. 3162 (Joint) Commerce Consumer Protection and Housing and Science, Arts, and Technology on S.C.R. No. 29

The purpose of this measure is to urge federal action against pornographic popup advertisements.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Your Committees find that the Federal Trade Commission (FTC), as the lead enforcement agency for the recently-enacted CAN-SPAM Act of 2003, has been engaged in extensive discussions with and is soliciting comments from interested parties on the anti-SPAM law. This month, the agency will hold a workshop to explore issues associated with the distribution and effects of software that asserts control over a computer without a consumer's knowledge.

Your Committees further find that this measure will help to convey to the agency the Legislature's concern about and request for action against unsolicited popup advertisements that expose Internet users, including children, to sexually explicit or inappropriate images.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 29 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Kim, Sakamoto, Hemmings).

SCRep. 3163 (Joint) Commerce Consumer Protection and Housing and Science, Arts, and Technology on S.R. No. 17

The purpose of this measure is to urge federal action against pornographic popup advertisements.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Your Committees find that the Federal Trade Commission (FTC), as the lead enforcement agency for the recently-enacted CAN-SPAM Act of 2003, has been engaged in extensive discussions with and is soliciting comments from interested parties on the anti-SPAM law. This month, the agency will hold a workshop to explore issues associated with the distribution and effects of software that asserts control over a computer without a consumer's knowledge.

Your Committees further find that this measure will help to convey to the agency the Legislature's concern about and request for action against unsolicited popup advertisements that expose Internet users, including children, to sexually explicit or inappropriate images.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 17 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Kim, Sakamoto, Hemmings).

SCRep. 3164 Commerce Consumer Protection and Housing on S.C.R. No. 93

The purpose of this measure is to authorize a sunrise review of the regulation of money transmitters.

The Department of Commerce and Consumer Affairs testified in support of this measure.

S.B. No. 2903, S.D. 2, H.D. 1 (2004), which proposes the regulation of money transmitters, is subject to the requirements of the Hawaii Regulatory Licensing Act (Act). The Act requires measures that propose to establish the regulation of an unregulated profession or vocation to first be referred to the Auditor for an analysis, commonly known as a "sunrise review". The purpose of the analysis is to examine the probable effects of regulation and to assess whether regulation is consistent with the State's regulatory policies. Your Committee finds that this measure authorizes the mandatory sunrise review.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ige).

SCRep. 3165 (Joint) Commerce Consumer Protection and Housing and Health on S.C.R. No. 105

The purpose of this measure is to authorize a study of the social and financial effects of mandating equitable health insurance reimbursement for treatment provided by a physician with a nutrition subspecialty.

The Hawaii Medical Service Association and an individual testified in support of this measure.

S.B. No. 612, which was introduced in 2003 and carried over to the 2004 Regular Session, proposes to require health insurers to reimburse physicians with a nutrition subspecialty at a rate commensurate with the reimbursement rate for board certified physician specialists. Under section 23-51, Hawaii Revised Statutes, before the Legislature may consider a measure that mandates health

insurance coverage for specific health services, specific diseases, or services provided by certain health care providers, the Auditor, pursuant to a concurrent resolution, must first assess both the social and financial effects of the proposed mandated coverage. This measure authorizes the mandatory assessment.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 105 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Ige, Kokubun, Tsutsui).

SCRep. 3166 (Joint) Health and Transportation, Military Affairs, and Government Operations on S.C.R. No. 40

The purpose of this measure is to request Hawaii's congressional delegation to urge the Federal Communications Commission to investigate and examine the adverse health effects of cellular and radio antenna towers in the Waiawa industrial area.

Scientific research indicates that there are potentially adverse health effects of radiofrequency radiation on human tissue. Your Committees find that in the Waiawa "Pearl City" industrial area on Oahu, several radio antenna towers are situated in the midst of densely populated areas, and area residents have expressed concern about the concentration of radio antenna and adverse health impacts. A formal investigation by the Federal Communications Commission is needed to inform the residents living adjacent to the Waiawa industrial area if they are exposed to any adverse health risks.

As affirmed by the records of votes of the members of your Committees on Health and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 40 and recommend that it be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Aduja, Inouye, Kanno, Menor, Hogue).

SCRep. 3167 (Joint) Health and Transportation, Military Affairs, and Government Operations on S.R. No. 20

The purpose of this measure is to request Hawaii's congressional delegation to urge the Federal Communications Commission to investigate and examine the adverse health effects of cellular and radio antenna towers in the Waiawa industrial area.

Scientific research indicates that there are potentially adverse health effects of radiofrequency radiation on human tissue. Your Committees find that in the Waiawa "Pearl City" industrial area on Oahu, several radio antenna towers are situated in the midst of densely populated areas, and area residents have expressed concern about the concentration of radio antenna and adverse health impacts. A formal investigation by the Federal Communications Commission is needed to inform the residents living adjacent to the Waiawa industrial area if they are exposed to any adverse health risks.

As affirmed by the records of votes of the members of your Committees on Health and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 20 and recommend that it be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Aduja, Inouye, Kanno, Menor, Hogue).

SCRep. 3168 (Joint) Commerce Consumer Protection and Housing and Judiciary and Hawaiian Affairs on H.B. No. 2558

The purpose of this measure is to establish an exemption for 401K plan benefits from the claims of creditors pursuant to attachment, execution, seizure, the operation of bankruptcy or insolvency laws under 11 U.S.C. §522(b), or under any legal process.

Testimony in support of this measure was received from the Representative from the 19th District of the State of Hawaii, Carlsmith Ball LLP, and Retirement-Coach.

Your Committees find that 401K plans are valuable financial tools for retirement planning that allow individuals to enjoy the benefit of tax-deferred growth on their retirement savings. Your Committees further find that current law affords protection from creditor attachment for similar types of retirement savings vehicles, but not for 401K plans. This measure rectifies this inequity by expanding the scope of state protected retirement vehicles to include 401K plans.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2558, H.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 12. Noes, none. Excused, 2 (Ige, Kawamoto).

SCRep. 3169 Health on Gov. Msg. Nos. 154 and 155

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII HEALTH SYSTEMS CORPORATION

G.M. No. 154 ANDREW DON, MD, for a term to expire 06-30-07; and

G.M. No. 155 RUSSELL T. STODD, MD, for a term to expire 06-30-05,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Board of Directors of the Hawai'i Health Systems Corporation.

Your Committee received testimony in support of ANDREW DON, MD from the Department of Health and Hawaii Medical Association. With almost thirty-eight years as a medical doctor, Dr. Don currently serves as active and consulting staff at Maui Memorial Medical Center. He received his medical degree from Tulane University School of Medicine. Dr. Don's community activities include serving as a past board member and Professional Education Chair of the American Cancer Society on Maui, and past president of the Maui County Society and Hawaii Medical Association.

Your Committee received testimony in support of RUSSELL T. STODD, MD from the Department of Health, Hawaii Medical Association, a clinical professor at the John A. Burns School of Medicine, and two individuals. With forty-five years as a medical doctor, Dr. Stodd currently is in private practice as an ophthalmologist, with his specialty limited to diseases of the eye. Dr. Stodd received his medical degree from the University of Oregon School of Medicine. Dr. Stodd's community activities include serving as past president of the Maui County Medical Society and Hawaii Medical Association, where he has also been the chair of the committee on medical liability for the past eight years. Additionally, Dr. Stodd was a former chief of staff at Maui Memorial Medical Center, has been one of two Hawaii delegates to the American Medical Association House of Delegates for ten years, and has provided much needed charity medical work in Panama, Brazil, Mexico, and Sudan.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 3170 Health on Gov. Msg. Nos. 200, 201, 202, 203 and 205

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 200 ARCHIE HAPAI, III, for a term to expire 06-30-07;

G.M. No. 201 JAMES Y.T. KAM, for a term to expire 06-30-07;

G.M. No. 202 LAURA E. MILLMAN, for a term to expire 06-30-07;

G.M. No. 203 CHARLENE SUMIDA, for a term to expire 06-30-07; and

G.M. No. 205 DANIEL VARGAS, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Policy Advisory Board for Elder Affairs (PABEA).

Your Committee received testimony in support of ARCHIE HAPAI, III from the State Executive Office on Aging. Mr. Hapai was born and raised in Hawaii and has over twenty years experience as a small business owner in a diverse array of fields including life insurance, prepaid legal services, and property management. Mr. Hapai's interest in serving on the Policy Advisory Board For Elder Affairs stems from his desire to work with the community in addressing the difficult and complex issues surrounding the "Death with Dignity" debate as well as the adequacy, type, and payment of long term care services. Mr. Hapai's background in insurance will provide a much needed business perspective regarding long term care financing and insurance issues.

Your Committee received testimony in support of JAMES Y.T. KAM from the State Executive Office on Aging. Mr. Kam was born and raised in Hawaii. He received a BA degree in sociology from the University of California at Berkeley. Throughout his life, Mr. Kam has demonstrated a dedication to public service. Mr. Kam first worked as a Recreation Leader for the Department of Parks and Recreation before transferring to the Liquor Commission where he served as the supervisor of the licensing division until his retirement in 1997. Mr. Kam's interest in serving as a member of the Policy Advisory Board for Elder Affairs stems from his desire to address the various issues relating to health care and long term care insurance that will become more important as Hawaii's population ages.

Your Committee received testimony in support of LAURA E. MILLMAN from the State Executive Office on Aging and five individuals. Ms. Millman has extensive experience in the hotel industry working in a variety of positions for Sheraton Hotels in Hawaii. Ms. Millman's work experience has made her aware of the financial difficulties faced by many of Hawaii's working people in securing affordable health insurance and adequate senior housing. Further, Ms. Millman has expressed an interest in addressing the inequities and potential fraud in the state Medicaid system.

Your Committee received testimony in support of CHARLENE SUMIDA from the State Executive Office on Aging; Transamerica Insurance and Investment Group; National Association of Insurance and Financial Advisors, Honolulu; and four individuals. Ms. Sumida was born and raised in Hawaii and graduated with high honors from the University of Hawaii. Ms. Sumida has worked as a financial advisor for Occidental Underwriters of Hawaii for the past seventeen years specializing in retirement planning with an emphasis on planning for long-term care needs. From personal experience as well as through her work as a financial planner, Ms. Sumida is aware of both the financial as well as emotional aspects associated with family members growing older. Ms. Sumida's financial planning background has proven to be an asset to the Policy Advisory Board for Elder Affairs that she has served on as an interim appointee since last year.

Your Committee received testimony in support of DANIEL VARGAS from the State Executive Office on Aging. Mr. Vargas has served as the President, Senior Rabbi, or Pastor for various religious organizations. In these capacities, Mr. Vargas has served as a spiritual counselor and mentor for countless individuals. This experience will bring a unique perspective to the work and in the recommendations made by the Policy Advisory Board for Elder Affairs on a diverse array of issues such as health care and elder care.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 3171 Health on Gov. Msg. Nos. 228, 229, 230 and 231

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, HAWAII COUNTY SUBAREA

- G.M. No. 228 THOMAS O. BROWN, for a term to expire 06-30-07;
- G.M. No. 229 ROBERTA CARTWRIGHT, for a term to expire 06-30-07;
- G.M. No. 230 SUSAN B. HUNT, for a term to expire 06-30-07; and
- G.M. No. 231 IRENE A. NAGAO, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Health Planning Council, Hawai'i County Subarea.

Testimony in support of nominee THOMAS O. BROWN was submitted by the Mayor of the County of Hawaii. Thomas O. Brown is a Transit Administrator for the County of Hawaii and has been working for the Transit Agency since 1980. He is active in the community and participates with organizations such as the Rotary Club of Hilo, Hilo Downtown Improvement Association, North Hawaii Outcomes Project, East and West Hawaii Partnerships in Community Living, and East and West Hawaii Developmentally Disabled Councils.

Nominee ROBERTA CARTWRIGHT is being reappointed. She grew up on the island of Hawaii and is a graduate of St. Joseph's High School in Hilo. Throughout her career she has been employed with Hawaii Medical Service Association and was the Executive Director of the American Cancer Society in Hilo. Her involvement with the community includes serving on the boards of Hui O Kaleo Nahenahe and Hale O Na Alii O Hawaii, Halau O Kalakaua, and being an active member of Big Island Safety Association, Japanese Chamber of Commerce, and Hawaii County Salary Commission.

SUSAN B. HUNT is being reappointed. Her education includes a Certificate in Gerontology from the University of Utah, Masters in Health Administration from St. Louis University, and Bachelor of Arts in Psychology from Southern Illinois University. She is also very active in the community and has been involved with the Healthcare Executives Forum of Hawaii, American Society for Quality Control, Susan G. Komen Breast Cancer Foundation, and Statewide Health Coordinating Council.

IRENE A. NAGAO is being reappointed. She is from Oahu, graduating from Farrington High School but has since been a resident of Hilo and is a retired Assistant Store Manager of J.C. Penney. Throughout the years, she has served her community through participation in such organizations as the Japanese Chamber of Commerce, American Cancer Society, Hawaii County Workforce Investment Board, and Hawaii County Juvenile Justice Steering Committee.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 3172 Health on Gov. Msg. Nos. 232, 233 and 234

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

G.M. No. 232 KATHLEEN E. DELAHANTY, for a term to expire 06-30-07;

G.M. No. 233 PAMELA HINSDALE, for a term to expire 06-30-07; and

G.M. No. 234 EMMET WHITE, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Health Planning Council, Honolulu Subarea.

Testimony in support of nominee KATHLEEN E. DELAHANTY was submitted by Hawaii Disability Rights Center. Ms. Delahanty's educational background includes Masters work in economics from Harvard University and studied psychology and French at Emmanuel College. Currently, she is the Director of Client Services for the Hawaii Disability Rights Center. Her community activities include work with Hawaii Association of Health Underwriters, Ho'omana'olana, HMSA Long Term Care/Long Term Care Legislative Committee, and the State Health Planning and Development Agency.

Nominee PAMELA HINSDALE is being reappointed to this council. She is the Regional Controller of Kaiser Health Plan and has also served as their Financial Director. Ms. Hinsdale is a graduate of Punahou High School and was a Business Major at the University of Southern California.

Testimony in support of nominee EMMET WHITE was submitted by Hawaii Long Term Care Association, Sisters of Sacred Hearts, and two individuals. Mr. White is the President and Chief Executive Officer of Arcadia Retirement Residence, and holds a BA degree from Lafayette College and a JD degree from the College of William and Mary School of Law. His community activities include involvement with the Hawaii Long Term Care Association, Court Annexed Arbitration Program and Central Union Church of Honolulu.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 3173 Health on Gov. Msg. Nos. 280, 281, 282 and 283

Recommending that the Senate advise and consent to the nominations of the following:

RADIOLOGIC TECHNOLOGY BOARD

G.M. No. 280 LORI H. O. KAMIKAWA, for a term to expire 06-30-05;

G.M. No. 281 MICHAEL MEAGHER, MD, for a term to expire 06-30-07;

G.M. No. 282 STEIN ERIK RAFTO, MD, for a term to expire 06-30-05; and

G.M. No. 283 DANIEL W. RICKENBACHER, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Radiologic Technology Board.

Your Committee received testimony in support of LORI H. O. KAMIKAWA from the Department of Health, Castle Medical Center, and three individuals. With twenty-four years of experience, Ms. Kamikawa currently serves as radiologic technologist and mammographer at Castle Medical Center. She was previously with Straub Clinic and Hospital and Mobile MRI, and is a certified radiographer. Ms. Kamikawa received a degree from Kapiolani Community College in the Radiologic Technology Program.

Your Committee received testimony in support of MICHAEL MEAGHER, MD, from the Department of Health. With almost thirty-five years as a medical doctor, Dr. Meagher currently serves on the staff in the Department of Radiology of the Queen's Medical Center. Dr. Meagher received his medical degree from Stanford Medical School. Dr. Meagher has received academic appointments at the University of Hawaii and the University of Washington medical schools. He served as past Chairman of the State Health Planning and Development Agency High Technology Advisory Committee, as a member of the Board of Directors for the Friends of Hawaii Public Television, and as past President of the Queen's Health Care Plan.

Your Committee has received testimony in support of STEIN ERIK RAFTO, MD, from the Department of Health. With over twenty years as a medical doctor, Dr. Rafto currently serves as staff Radiologist at Kaiser Permanente Medical Center. Dr. Rafto received his medical degree from the John A. Burns School of Medicine. Dr. Rafto is active in medical societies and served as chair and member of the Executive Committee and Board of Governors of the Honolulu County Medical Society, and in similar capacities with the Western Neuroradiological Society.

Your Committee has received testimony in support of DANIEL W. RICKENBACHER from the Department of Health. Mr. Rickenbacher has over twenty years of experience and currently serves as Chief Technologist and Operations Manager at Hawaii P.E.T. Imaging in Kailua. He has been a registered technologist with the American Registry of Radiologic Technology since 1981 and has been licensed in Hawaii and California since 1981 in radiologic technology. He is also a member of the Nuclear Medicine Technology Certification Board.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 3174 (Majority) Labor on S.C.R. No. 193

The purpose of this measure is to request that the Department of Labor and Industrial Relations conduct a study on the effects of the current definitions of “regular employee” and “eligible employee” under the Hawaii Prepaid Health Care Act to determine:

- (1) The extent of those individuals who work at least eighty hours within a consecutive four-week period but are denied coverage; and
- (2) The need to expand the definitions to allow for coverage for more individuals.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR).

Your Committee finds that, although at its inception the Prepaid Health Care Act was considered a progressive move in the area of health care coverage, a large number of individuals in Hawaii, many of whom are employed, are currently without health care coverage. The restrictions under the Prepaid Health Care Act do not allow for coverage for individuals who are considered part-time employees, because they do not work at least twenty hours per week, although they may work in excess of eighty hours during a consecutive four-week period. Additionally, the extent of the number of these individuals who are ineligible for coverage under the Prepaid Health Care Act is unclear.

Therefore, your Committee determines that it is crucial for the State to obtain an accurate accounting of the number of these ineligible individuals to ascertain how to maximize the number of individuals that may be insured. Your Committee recognizes the magnitude of the task of compiling the necessary data and other information to conduct this study and believes that the various state departments, agencies, and other organizations should assist DLIR in any manner possible in completing this study.

Although concerns have been raised regarding DLIR’s ability to obtain the necessary data to complete this study, your Committee believes that time constraints require that the measure continue to progress through the Legislature where the Committee on Commerce, Consumer Protection and Housing can further address any specific concerns.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 193 and recommends that it be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

SCRep. 3175 (Majority) Labor on S.R. No. 107

The purpose of this measure is to request that the Department of Labor and Industrial Relations conduct a study on the effects of the current definitions of “regular employee” and “eligible employee” under the Hawaii Prepaid Health Care Act to determine:

- (1) The extent of those individuals who work at least eighty hours within a consecutive four-week period but are denied coverage; and
- (2) The need to expand the definitions to allow for coverage for more individuals.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR).

Your Committee finds that, although at its inception the Prepaid Health Care Act was considered a progressive move in the area of health care coverage, a large number of individuals in Hawaii, many of whom are employed, are currently without health care coverage. The restrictions under the Prepaid Health Care Act do not allow for coverage for individuals who are considered part-time employees, because they do not work at least twenty hours per week, although they may work in excess of eighty hours during a consecutive four-week period. Additionally, the extent of the number of these individuals who are ineligible for coverage under the Prepaid Health Care Act is unclear.

Therefore, your Committee determines that it is crucial for the State to obtain an accurate accounting of the number of these ineligible individuals to ascertain how to maximize the number of individuals that may be insured. Your Committee recognizes the magnitude of the task of compiling the necessary data and other information to conduct this study and believes that the various state departments, agencies, and other organizations should assist DLIR in any manner possible in completing this study.

Although concerns have been raised regarding DLIR's ability to obtain the necessary data to complete this study, your Committee believes that time constraints require that the measure continue to progress through the Legislature where the Committee on Commerce, Consumer Protection and Housing can further address any specific concerns.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 107 and recommends that it be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

SCRep. 3176 Water, Land, and Agriculture on S.C.R. No. 99

The purpose of this measure is to request that Del Monte continue to operate Poamoho Camp until at least December 2005, or, in the alternative, offer financial assistance to aid residents of Poamoho Camp seeking housing solutions.

This measure also requests that the Galbraith Estate allow residents to continue to reside at Poamoho Camp by entering into an agreement to lease the ninety-acre camp parcel to the Poamoho Camp Residents Association or an entity of the Association's choice until at least December 2005, to allow the residents time to find housing solutions or affordable alternative housing.

Approximately three hundred people live in Poamoho Camp. At the end of their lease, the property must be restored to the same condition it was received, which means the camp needs to be razed. Your Committee finds that many of the residents, particularly the retirees, cannot afford accommodations outside of the camp, and that alternatives must be considered.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 99 and recommends that it be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3177 Water, Land, and Agriculture on S.R. No. 53

The purpose of this measure is to request that Del Monte continue to operate Poamoho Camp until at least December 2005, or, in the alternative, offer financial assistance to aid residents of Poamoho Camp seeking housing solutions.

This measure also requests that the Galbraith Estate allow residents to continue to reside at Poamoho Camp by entering into an agreement to lease the ninety-acre camp parcel to the Poamoho Camp Residents Association or an entity of the Association's choice until at least December 2005, to allow the residents time to find housing solutions or affordable alternative housing.

Approximately three hundred people live in Poamoho Camp. At the end of their lease, the property must be restored to the same condition it was received, which means the camp needs to be razed. Your Committee finds that many of the residents, particularly the retirees, cannot afford accommodations outside of the camp, and that alternatives must be considered.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 53 and recommends that it be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3178 Commerce Consumer Protection and Housing on Gov. Msg. No. 247

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII HURRICANE RELIEF FUND

G.M. No. 247 GERALD H. TAKEUCHI, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

GERALD H. TAKEUCHI is the Vice Chairman of Noguchi Nakayama Singlehurst Takeuchi, a multi line insurance agency representing all major insurance companies in Hawaii. He attended the University of Hawaii. He has been employed in the insurance industry for thirty-five years and has operated a successful insurance agency for most of that time. Mr. Takeuchi is a member of numerous professional and community organizations.

Your Committee finds that Mr. Takeuchi has completed one term as a member of the Board of Directors of the Hawaii Hurricane Relief Fund and continues to serve on an interim basis. Thus he is very familiar with the responsibilities and duties of the Board of Directors of the Hawaii Hurricane Relief Fund.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ige).

SCRep. 3179 Commerce Consumer Protection and Housing on Gov. Msg. Nos. 393 and 394

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

G.M. No. 393 CHARLES G. KING, for a term to expire 06-30-08; and

G.M. No. 394 TRAVIS O. THOMPSON, for a term to expire 06-30-08,

Your Committee received testimony in support of CHARLES G. KING from the Housing and Community Development Corporation of Hawaii (HCDCH), the Hawaii Automobile Dealers' Association, and one individual. Mr. King attended Lake Forest College where he studied economics as well as Cornell University where he studied agricultural economics. Mr. King was an Assistant Vice President and Manager for Bank of Hawaii for thirteen years and is currently the President and owner of several automobile dealerships on Kauai and Oahu. In addition to his business ventures, Mr. King is actively involved in numerous community organizations such as the Hawaii Community Foundation and the Wilcox Hospital Foundation.

As a highly successful businessman, Mr. King possesses the financial skills and management experience necessary to be a positive and contributing member on the Board of Directors of the HCDCH. Additionally, Mr. King's extensive community involvement in a variety of non-profit organizations demonstrates a commitment towards improving the lives of individuals served by the HCDCH. Moreover, Mr. King currently serves as the Vice Chair of the Board of Directors of the HCDCH and has the necessary experience in and familiarity with the management of the HCDCH.

Your Committee received testimony in support of TRAVIS O. THOMPSON from the HCDCH. Mr. Thompson graduated with a Bachelor of Science Degree in Commerce from the University of Virginia and also earned a Masters in Business Administration from the University of Washington. Mr. Thompson served as a Senior Program Manager in the Commercial Airplanes Division of Boeing Company until his retirement in 1990. Mr. Thompson has continued to remain active in retirement as evidenced by his numerous leadership positions in various community organizations as well as in county government.

Mr. Thompson has been serving on the Board of Directors of the HCDCH for the past year. Utilizing his extensive business background as well as his experience as the Director of Finance for Maui County for nine years, Mr. Thompson chairs the Board's Audit Subcommittee that is currently conducting a review of the HCDCH's audited financial statements. In addition, Mr. Thompson was also appointed to the Board's newly created Finance Subcommittee which is charged with the responsibility of making recommendations to improve the financial condition of the HCDCH. Mr. Thompson's familiarity with the various issues confronting the HCDCH as well as his willingness to assume important leadership positions within this organization makes him well qualified to serve on the Board of Directors of the HCDCH.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ige).

SCRep. 3180 Energy and Environment on S.C.R. No. 166

The purpose of this measure is to request that where there are reasonable grounds for concern, the precautionary principle approach to decision-making shall be implemented by state departments and agencies to help reduce harm by triggering a process to select the least potential threat.

This measure specifies the elements of the precautionary principle as anticipatory action, right to know, alternatives assessment, full cost accounting, and participatory decision process.

Testimony in support of this measure was received from Life of the Land. Testimony in opposition was received from the Department of Health and Hawaiian Alliance for Responsible Technology & Science. Comments were received from the Hawaii Agriculture Research Center.

The precautionary principle requires a thorough exploration and a careful analysis of a wide range of alternatives based on the best available science, the selection of the alternative that presents the least potential threat to human health and the State's natural systems, and public participation and an open and transparent decision-making process critical to finding and selecting alternatives.

Your Committee finds that implementing the precautionary principle policy framework will assist the State in protecting its residents.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 166 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3181 Energy and Environment on S.R. No. 86

The purpose of this measure is to request that where there are reasonable grounds for concern, the precautionary principle approach to decision-making shall be implemented by state departments and agencies to help reduce harm by triggering a process to select the least potential threat.

This measure specifies the elements of the precautionary principle as anticipatory action, right to know, alternatives assessment, full cost accounting, and participatory decision process.

Testimony in support of this measure was received from Life of the Land. Testimony in opposition was received from the Department of Health and Hawaiian Alliance for Responsible Technology & Science. Comments were received from the Hawaii Agriculture Research Center.

The precautionary principle requires a thorough exploration and a careful analysis of a wide range of alternatives based on the best available science, the selection of the alternative that presents the least potential threat to human health and the State's natural systems, and public participation and an open and transparent decision-making process critical to finding and selecting alternatives.

Your Committee finds that implementing the precautionary principle policy framework will assist the State in protecting its residents.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 86 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3182 Energy and Environment on S.C.R. No. 169

The purpose of this measure is to request the Department of Accounting and General Services to assist Honolulu Seawater Air Conditioning LLC in conducting a study to determine the feasibility of implementing the Seawater Air Conditioning/Thermal Energy Storage District Cooling System for use in state facilities.

This measure also finds that the development of the Honolulu Seawater Air Conditioning project in downtown Honolulu, using the Seawater Air Conditioning/Thermal Energy Storage System in state facilities, would help the State achieve its goals of increasing energy efficiency, decreasing reliance on fossil fuels, and shifting to an efficient and renewable energy.

Testimony in support of this measure was received from Honolulu Seawater Air Conditioning LLC.

Hawaii's energy needs are more than ninety percent dependent on imported fossil fuels, the majority of which is foreign oil. Act 77, Session Laws of Hawaii 2002, requires state agencies to not only reduce greenhouse gas emissions and energy consumption levels, but also increase the State's reliance on efficient and renewable energy sources. Your Committee finds that the Seawater Air Conditioning/Thermal Energy Storage System will not only reduce Hawaii's reliance on fossil fuels, but also minimize the use of toxic chemicals, such as refrigerants, as well as reduce potable water use by eliminating the need for cooling towers.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 169 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3183 Energy and Environment on S.R. No. 89

The purpose of this measure is to request the Department of Accounting and General Services to assist Honolulu Seawater Air Conditioning LLC in conducting a study to determine the feasibility of implementing the Seawater Air Conditioning/Thermal Energy Storage District Cooling System for use in state facilities.

This measure also finds that the development of the Honolulu Seawater Air Conditioning project in downtown Honolulu, using the Seawater Air Conditioning/Thermal Energy Storage System in state facilities, would help the State achieve its goals of increasing energy efficiency, decreasing reliance on fossil fuels, and shifting to an efficient and renewable energy.

Testimony in support of this measure was received from Honolulu Seawater Air Conditioning LLC.

Hawaii's energy needs are more than ninety percent dependent on imported fossil fuels, the majority of which is foreign oil. Act 77, Session Laws of Hawaii 2002, requires state agencies to not only reduce greenhouse gas emissions and energy consumption levels, but also increase the State's reliance on efficient and renewable energy sources. Your Committee finds that the Seawater Air Conditioning/Thermal Energy Storage System will not only reduce Hawaii's reliance on fossil fuels, but also minimize the use of toxic chemicals, such as refrigerants, as well as reduce potable water use by eliminating the need for cooling towers.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 89 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3184 (Joint) Health, Human Services and Judiciary and Hawaiian Affairs on S.C.R. No. 44

The purpose of this measure is to request the Department of Health to form an oversight committee of the domestic violence prevention special fund and the spouse and child abuse special accounts with the Department of Human Services and Judiciary.

Testimony in support of this measure was received from the Sex Abuse Treatment Center, Hawaii State Coalition Against Domestic Violence, and Hawaii Coalition Against Sexual Assault. Testimony in opposition was received from the Department of Health (DOH) and the Department of Human Services (DHS). Comments were received from the Judiciary (JUD).

Your Committees find that there is currently no systematic, strategic planning between the DOH, DHS, and JUD with regards to allocations and expenditures of funds in the Domestic Violence Prevention Special Fund and the Spouse and Child Abuse Special Accounts. Your Committees further find that in order for agencies to provide comprehensive and effective intervention and prevention services to address sexual and physical abuse, it is absolutely essential that a coordinated approach be created to develop statewide priorities, and that oversight is provided to guide and monitor the expenditure of available funding.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 44 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 5 (English, Hooser, Kokubun, Tsutsui, Trimble).

SCRep. 3185 Ways and Means on H.B. No. 2009

The purpose of this measure is to appropriate funds to the Hawaii Farm Bureau Federation for agricultural research and market development studies.

Your Committee finds that research and market development are critical for the continued growth of Hawaii's agricultural industry. The Hawaii Farm Bureau Federation has frequently partnered with the Hawaii Agriculture Research Center and the University of Hawaii College of Tropical Agriculture and Human Resources to provide important research that benefits the entire agricultural community.

Agricultural research is the foundation for Hawaii's agricultural industry and is the basis for Hawaii's competitive edge in the global market. Continued state support is needed in this area to ensure the viability of one of Hawaii's fastest growing industries.

Market development is a key component in expanding the opportunities for Hawaii's agribusiness. Given Hawaii's small size and isolated location, considerable effort and funds are needed to develop new markets, expand existing markets, and support new and existing crops.

Your Committee has amended the bill by:

- (1) Providing an appropriation directly to the University of Hawaii College of Tropical Agriculture and Human Resources for research and instructional programs to further its mission and actively help Hawaii diversify its economy and ensure a sustainable environment; provided that the funding be added to the base budget of the University of Hawaii;
- (2) Expanding the scope of the research conducted by the University of Hawaii College of Tropical Agriculture and Human Resources to include:
 - (A) Research on obesity prevention in Hawaii which can improve the health and well-being of Hawaii's residents; and
 - (B) The continuing exploration of biological methods for cleaning contaminated waters and sediments ("bioremediation") by utilizing the uptake processes of native plant species, natural microbial processes, and other natural remediation processes;
- (3) Requiring the University of Hawaii College of Tropical Agriculture and Human Resources to report its findings on the bioremediation program to the Legislature twenty days prior to the regular sessions of 2005 and 2006, respectively; and
- (4) Making technical changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2009, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2009, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3186 (Majority) Ways and Means on H.B. No. 2741

The purpose of this measure is to promote efficiency and accountability within state government by ensuring that the salaries and qualifications for certain state agency civil service exempt positions are subject to legislative review.

Specifically, the measure:

- (1) Establishes that unless a deputy director or special assistant position is authorized by law, no state executive department or agency shall establish or fill such a position, without first filing a report with the Department of Human Resources Development that includes:
 - (A) A justification for the position;
 - (B) The duties and responsibilities for the position;
 - (C) The selection criteria and minimum qualifications to be used to fill the position;
 - (D) The salary range for the deputy director or special assistant position; and
 - (E) A comparison of the salary range being offered for the position with salaries being paid in the private sector to persons with similar qualifications and responsibilities;
- (2) Requires the Governor to annually file a report with the Legislature, at least twenty days prior to the convening of each regular session, detailing:
 - (A) Each department's or agency's compliance with the filing requirements for each nonstatutorily-established deputy director or special assistant position under the executive branch's control;
 - (B) The number of such positions under the executive branch's control;
 - (C) The salaries paid to each person occupying such a position and how it compares with the salary range filed with the Department of Human Resources Development and with salaries being paid in the private sector to persons with similar qualifications and responsibilities; and
 - (D) Any variance that results in a situation where a person occupying a position covered under the measure is being paid in excess of the salary range filed with the Department of Human Resources Development for that position, and the reasons for the variance;
- (3) Establishes criteria to qualify a position as a nonstatutorily-established deputy director or special assistant position as being, in part, a position that has a salary that is not less than fifty per cent of a departmental director's salary (\$85,302); and
- (4) Abolishes all nonstatutorily-established deputy director or special assistant positions that are not in compliance with the measure as of January 1, 2005.

Your Committee finds that the measure will enable the Legislature, as well as the general public, to determine whether certain deputy director and special assistant positions in state government are necessary and, if so, whether these positions are being filled by adequately compensated, qualified personnel.

Your Committee has amended the measure by:

- (1) Deleting the requirement that departments and agencies compare the salary range being offered for a deputy director or special assistant position with private sector salaries;
- (2) Adding to the salary amount filing and reporting requirement imposed upon departments, agencies, and the Governor, a requirement that the department, agency, or Governor also include information as to what funding source is being used to fund the position;
- (3) Exempting the deputy director, special assistant, and other positions enumerated in section 76-16(b), Hawaii Revised Statutes, from being included in the filing and reporting requirements of the measure;
- (4) Changing the annual reporting requirement imposed on the Governor to disclose information regarding affected assistant director and special assistant positions to the Legislature to a quarterly reporting requirement;

- (5) Adding positions that are temporarily assigned or loaned to a director's office for at least seventy-five per cent of a fiscal year to the provision that establishes what positions are to be considered as deputy directors or special assistants; and
- (6) Changing the effective date from July 1, 2010, to upon approval.

Your Committee believes that the amended measure will better effectuate its intended purpose.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2741, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2741, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3187 (Majority) Ways and Means on H.B. No. 2748

The purpose of this measure is to make technical amendments for clarity and style to section 39-17, Hawaii Revised Statutes, pertaining to general obligation bonds.

Prior to the hearing on this measure, your Committee created and circulated a proposed Senate Draft 1 that deleted the substantive provisions of the measure and inserted therefor, provisions that grant civil service status to the employees of the Department of Business, Economic Development, and Tourism's Business Action Center.

Your Committee received testimony in support of the measure from the Department of Business, Economic Development, and Tourism, the County of Maui's Office of Economic Development, the Hawaii Small Business Development Center Network, the National Federation of Independent Business, TeraBiz, and Jean Williams, Inc. The Department of Budget and Finance testified in opposition to the measure.

Your Committee believes that the existence of the Business Action Center fosters the growth of the State's small business community. Your Committee also recognizes the profound impact small businesses have on the State's revenues through their contributions to job creation, attraction of revenues from outside the State, and income and general excise tax revenues. Without a vital and expanding small business community and the revenues they generate, the State's finances would suffer immeasurably.

Your Committee also finds that the employees of the Business Action Center possess a total of over forty years of experience in servicing the needs of Hawaii's small businesses. This combined experience is invaluable in assuring continuity in the high quality and level of service already provided by the Business Action Center. Granting civil service status to these employees not only ensures that the level and quality of service will continue for Hawaii's small business community and aspiring entrepreneurs, but also demonstrates the State's understanding of the importance of small business to the State's financial well being.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2748, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2748, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Hemmings, Trimble). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3188 Ways and Means on H.B. No. 2749

The purpose of this measure is to update a section of the Hawaii Revised Statutes relating to the transfer of moneys from special funds for central service expenses.

Specifically, this measure deletes an obsolete date (July 1, 1995) referring to the effective date of transfers for central services expenses under section 36-31, Hawaii Revised Statutes.

Upon further consideration, your Committee has amended this measure by deleting its contents and replacing it with a provision to remove the cap on the interest payable to vendors by state and county governments for late payment for goods and services purchased under section 103-10(a), Hawaii Revised Statutes.

At present, interest on the late, unpaid principal payable to a vendor is equal to the prime rate for the calendar quarter plus two per cent, but capped at a maximum of twelve per cent a year. This measure removes the twelve per cent cap.

Your Committee finds that the removal of this cap is fair, will provide an incentive to public agencies to pay their bills on time, and will simplify the calculation and application of interest payments to vendors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2749, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3189 Ways and Means on H.B. No. 2759

The purpose of this measure is to make an appropriation for the acquisition of certain lands at Pupukea-Paumalu, Oahu.

Your Committee finds that there is overwhelming support for the acquisition of 1,129 acres of land bordered by the Paumalu gulch, Pupukea-Paumalu forest reserve, and the Kalunawaikaala gulch and stream for the preservation of cultural, historic, environmental, open space, visual, and recreational resources.

Your Committee has amended this measure by:

- (1) Inserting a sum certain for this appropriation;
- (2) Authorizing the issuance of general obligation bonds in place of general revenues for this appropriation;
- (3) Requiring the Department of Land and Natural Resources to seek matching federal funds for this acquisition;
- (4) Changing the effective date to facilitate further discussion of this matter; and
- (5) Making other technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2759, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2759, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Aduja, English, Espero, Kim, Sakamoto, Tsutsui).

SCRep. 3190 (Joint) Commerce Consumer Protection and Housing and Health on H.B. No. 2005

The purpose of this measure is to make modifications to the Hawaii Rx discounted prescription drug program.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review.

Testimony in support of the proposed S.D. 1 was received from the Department of Health, Department of Human Services, Board of Pharmacy, Kaiser Permanente, American Cancer Society, and Hawaii Long Term Care Association. The Attorney General presented comments on the measure.

Your Committees find that prescription drugs are one of the most costly components of health care today. Under current law, once drugs are dispensed, even in an institutional setting, they may not be used by any one other than the patient for whom the prescription was prescribed, leading to the costly and needless waste of wholesome pharmaceutical products. The proposed S.D. 1 addresses this situation by establishing procedures for the return, credit, and reuse of prescription drugs within institutional facilities, and for the donation of drugs not appropriate for return and reuse to drug repositories for the needy.

Your Committees amended this measure by adopting the language of the proposed S.D. 1, as further revised to address the concerns of the Department of Health, Department of Human Services, Office of the Attorney General, and Hawaii Medical Service Association. As amended, this measure:

- (1) Establishes return-for-credit-and-reuse procedures for institutional facilities that include requirements relating to the return of drugs to the dispensing pharmacy, recordkeeping, credit and reimbursement, and pharmacy certification;
- (2) Authorizes the donation of drugs that meet the standards for donated drugs, but are otherwise not acceptable for return-for-credit-and-reuse, to donated drug repositories for the needy under chapter 328C, Hawaii Revised Statutes (HRS);
- (3) Establishes conditions under which a pharmacist may redispense or redistribute prescription drugs previously dispensed or distributed for administration to patients in an institutional facility;
- (4) Provides that drug manufacturers are not liable for claims arising out of the return-for-credit-and reuse of drugs, or the donation of drugs to repositories for the needy;
- (5) Adds definitions to chapters 328C and 461, HRS;
- (6) Repeals duplicative definitions in section 328C-2, HRS;
- (7) Requires the Department of Health to report to the 2006 Legislature regarding problems in implementing and operating the prescription drug repository program, the potential for program's expansion to include private donations, and suggested legislation;
- (8) Requires the adoption of administrative rules regarding crediting and handling fee processes before return-for-credit-and-reuse procedures may be implemented; and
- (9) Is repealed on July 1, 2010.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2005, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2005, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Ige, Kim, Kokubun, Sakamoto, Tsutsui).

SCRep. 3191 (Joint) Commerce Consumer Protection and Housing and Transportation, Military Affairs, and Government Operations on H.B. No. 1819

The purpose of this measure is to exempt from the requirement that an insurer maintain a sales and claims office in the State, a member-owned reciprocal insurer and its wholly owned insurer subsidiaries that primarily insure military members and their dependents.

The Department of Commerce and Consumer Affairs and USAA testified in support of this measure.

This measure establishes an exception to the requirement that an insurer maintain a complete sales and claims service office in the State for a member-owned reciprocal insurer and its wholly owned insurer subsidiaries, where:

- (1) The majority of members are members or veterans of the United States armed forces, their current or former spouses, or their dependents; and
- (2) The insurer's primary purpose is to serve the above persons.

Instead, insurers are required to make satisfactory arrangements for claims service and adjustment and, upon request by the Insurance Commissioner, make available specific information on such arrangements.

Your Committees find that there is a high degree of mobility among the military membership of the affected insurers. This measure will provide these insurers with the flexibility to service their customers from the most appropriate claims location and provide more timely and efficient customer service, while continuing to ensure consumer protection.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1819, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Ige, Kanno, Kim, Sakamoto).

SCRep. 3192 Commerce Consumer Protection and Housing on H.B. No. 2143

The purpose of this measure is to expand the scope of the gift certificate law to include electronic gift cards and merchandise credits, extend the minimum honor period from two years to seven years, prohibit dormancy charge or service fees, permit cash refunds of minimal unused amounts, and exempt gift certificates from the requirements relating to unclaimed or abandoned property.

The Department of Commerce and Consumer Affairs presented comments on this measure. Testimony in opposition to the measure was received from the Department of Budget and Finance, Legislative Information Services of Hawaii, Activities and Attractions Association of Hawaii, The Hawaii Restaurant Association, and Retail Merchants of Hawaii.

Your Committee finds that concerns have been raised about this measure, including that precluding gift certificates from being classified as abandoned property will allow retailers to retain the proceeds of unredeemed certificates, that merchandise credit requirements are already addressed in the refunds law, and that other proposed requirements may increase merchants' administrative costs and create disincentives for issuing certificates.

Therefore, based upon discussions between the retail industry and the Office of Consumer Protection, your Committee has amended this measure:

- (1) By deleting language proposing to:
 - (a) Extend the minimum period for honoring a gift certificate from two years to seven years;
 - (b) Entitle a certificate holder to the certificate's cash balance after at least ninety per cent of the certificate's value has been redeemed;
 - (c) Exempt gift certificate issuers from complying with the requirements of the Unclaimed Property Act; and
 - (d) Include merchandise credits within the definition of "gift certificate"; and
- (2) By adding language proposing to:

- (a) Require that the date of issuance, in addition to the expiration date be clearly indicated on the face of the gift certificate, or an electronic card sales receipt; and
- (b) Specifically exempt from the law's requirements promotional gift certificates with expiration dates.

Additionally, your Committee has amended this measure by inserting therein an effective date of July 1, 2030.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2143, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2143, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3193 Commerce Consumer Protection and Housing on H.B. No. 2774

The purpose of this measure is to permit a subdivision lot owner to install amateur radio equipment on the owner's lot without the necessity of first obtaining approval or consent.

Testimony in support of this measure was received from the Department of Defense, Parents and Children Together, and twenty-three individuals. The measure was opposed by Princeville at Hanalei Community Association, Mililani Town Association, Ko Olina Resort Community Association, Neeley and Anderson LLP, and five individuals.

This measure authorizes the installation of amateur radio equipment approved by the Federal Communications Commission (FCC) on subdivision lots owned by FCC-licensed amateur radio operators, provided that the installation does not directly affect any other lot owner in the subdivision. This authorization would supersede any prohibition established in chapter 484, Hawaii Revised Statutes, a subdivision's declaration, or an association's bylaws or documents, and any requirement that the consent of another lot owner, a planned community association or its board, or a managing agent, first be obtained.

Your Committee recognizes the vital role amateur radio operators have played in times of emergencies and disasters, assisting with emergency management communications when other forms of communication have been rendered inoperable due to natural or man-made disasters. Federally-licensed amateur radio operators are an important part of the community's emergency response safety network and provide critical emergency communications services to Civil Defense and voluntary organizations, such as the Red Cross.

While your Committee recognizes the importance of the public service provided by amateur radio operators, your Committee has concerns that this measure, which permits radio equipment installation notwithstanding a lack of consent from an association or board, is unfairly weighted in favor of individual homeowners, and does not allow for disapproval of an installation by an association or board for legitimate reasons, including those related to aesthetics, safety, and interference with use of electronic devices.

Accordingly, in order to facilitate continued discussion of these concerns and other outstanding issues, your Committee has amended this measure by inserting therein an effective date of July 1, 2030.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2774, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2774, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3194 Commerce Consumer Protection and Housing on H.B. No. 2773

The purpose of this measure is to permit an apartment owner to install amateur radio equipment on the owner's condominium units without the necessity of first obtaining approval or consent.

Testimony in support of this measure was received from the Department of Defense, Oahu Civil Defense Agency, Parents and Children Together, and seven individuals.

This measure authorizes the installation of amateur radio equipment approved by the Federal Communications Commission (FCC) on condominium apartment units owned by FCC-licensed amateur radio operators, provided that the installation does not directly affect any other apartment owner in the condominium project. This authorization would supersede any prohibition established in chapter 514A, Hawaii Revised Statutes, a project's declaration, or an association's bylaws, and any requirement that the consent of an association or its board, or a managing agent, first be obtained.

Your Committee recognizes the vital role amateur radio operators have played in times of emergencies and disasters, assisting with emergency management communications when other forms of communication had been rendered inoperable due to natural or man-made disasters. Federally-licensed amateur radio operators are an important part of the community's emergency response safety network and provide critical emergency communications services to Civil Defense and voluntary organizations, such as the Red Cross.

While your Committee recognizes the importance of the public service provided by amateur radio operators, your Committee has concerns that this measure, which permits radio equipment installation, notwithstanding a lack of consent from an association or board, is unfairly weighted in favor of individual apartment owners, and does not allow for disapproval of an installation by an association or board for legitimate reasons, including those related to aesthetics, safety, and interference with use of electronic devices.

Accordingly, in order to facilitate continued discussion of these concerns and other outstanding issues, your Committee has amended this measure by inserting therein an effective date of July 1, 2030.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2773, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2773, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3195 (Joint) Health and Energy and Environment on H.B. No. 1840

The purpose of this measure is to authorize the Director of Health to adopt rules deemed necessary for the public health and safety respecting the discharge of fugitive dust both within and beyond a property lot line.

Testimony in support of this measure was received from State Representative Cindy Evans and Hawaii Packing and Crating. Testimony in opposition was received from the Department of Health (DOH) and the Pineapple Growers Association.

Your Committees find that there exists industrial situations in shared buildings where dust from one tenant infringes upon and enters into the facility of another tenant within the same property line. This measure would ensure that the discharge of fugitive dust both within and beyond the property lot line is statutorily regulated.

Your Committees have amended this measure by modifying the newly added paragraph (3) to section 321-11, to clarify the proponents' intent and to address concerns of the Department of Health. Your Committees believe these amendments help clarify the DOH's authority with regard to addressing complaints, and note that the fugitive air issue falls under the jurisdiction of DOH.

As affirmed by the records of votes of the members of your Committees on Health and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1840, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1840, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair and Vice Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Kanno, Hemmings, Hogue).

SCRep. 3196 Transportation, Military Affairs, and Government Operations on H.B. No. 2136

The purpose of this measure is to require that debarment or suspension of contractors from public procurement occur only after the effective date of adoption of administrative rules by the policy board, and to provide statutory guidelines for the decision by the chief procurement officer to consider when debarring a contractor.

Prior to holding a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. In that form, it added:

- (1) A procurement exemption for incorporation or registration of law firms offering legal services to the Attorney General when contracting for specialized legal services; and
- (2) Repeal of statutory exemptions from chapter 103D, Hawaii Revised Statutes (HRS).

Testimony in support of the amended measure was received from the Department of Accounting and General Services, Coalition of Hawaii Engineering & Architectural Professionals, General Contractors Association of Hawaii, American Institute of Architects - Hawaii State Council, American Public Works Association Hawaii Chapter, Pacific Structural Consultants, Inc., American Council of Engineering Companies of Hawaii, and Paul Louie & Associates, Inc. Testimony in opposition was received from the University of Hawaii, Hawaii Tourism Authority, and Research Corporation of the University of Hawaii. Comments were received from the State Procurement Office.

Your Committee agrees with the Attorney General that out-of-state law firms have difficulty under current procurement law to contract with the Attorney General to handle cases requiring specialized expertise. The difficulty is the general requirement that all offerors be incorporated or organized under Hawaii law or be registered to do business in Hawaii. The amended measure addresses this problem by carving a narrow exemption for the Attorney General to allow the hiring of legal services for which no comparable services are available in the State.

Your Committee finds that the amended measure, along with clarifications in the debarment process, and repeal of exemptions to chapter 103D, HRS, relating to the Hawaii Procurement Code, by state agencies, will result in advantages in procurement of goods, services, and construction by the citizens of this State. Equally as important, the basis for improving trust in government will be enhanced.

Your Committee has amended this measure by adopting the changes in the proposed S.D 1, and clarifying that the procuring officer verify compliance in certain instances with the requirement that the offeror be incorporated or organized under Hawaii law or be registered to do business in Hawaii.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2136, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2136, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 3197 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 537

The purpose of this measure is to add sexual orientation as a protected class in the housing discrimination and anti-blockbusting laws.

Testimony in support of this measure was submitted by the Hawai'i Civil Rights Commission (HCRC), Hawaii State Commission on the Status of Women, American Friends Service Committee Gay Liberation Program, Brigham Young University, Civil Unions-Civil Rights Movement, the First Unitarian Church, Gay and Lesbian Education and Advocacy Foundation, Hawai'i Citizens for the Separation of State and Church, the Gay, Lesbian, Bisexual, and Transgendered Caucus of the Democratic Party of Hawaii, Hawaii Reserves, Inc., Hawaii Women's Law Center, Hawaii Women Lawyers, Lambda Aloha, the League of Women Voters of Hawaii, Malama Pono-Kauai AIDS Project, PFLAG-Oahu, and twenty-four individuals. Testimony in opposition to this measure was submitted by the American Center for Law and Justice of Hawaii, King's Cathedral and Chapels, Pro-Family Hawaii, and eighteen individuals. Comments were submitted by Hawaii Family Forum and Planned Parenthood of Hawaii.

Your Committee finds that civil rights is an important issue, and the protection of those rights should be held to the highest standards. Your Committee further finds that our civil rights laws need to be uniform by prohibiting discriminatory practices in real property transactions on the basis of sexual orientation.

Currently, discrimination because of sexual orientation is only prohibited in employment. Your Committee believes that just as a person should not be denied a job because of the person's sexual orientation, a person should not be denied a home because of the person's sexual orientation.

However, your Committee finds that the current language of this measure exempting certain organizations and institutions from discriminatory practices is too broad. Your Committee further finds that if any exception is made, the exception should be very narrowly tailored to make sure that unintended persons or entities are not included in the exception. Testimony was received from the HCRC requesting a narrowing of the exception; but your Committee believes that the language proposed by HCRC is still too broad.

Your Committee was unable to draft adequate language to narrow the exception for discrimination given its time constraints. Thus, your Committee has amended this measure to change the effective date to July 1, 2010 to facilitate further discussion on crafting proper language for the exception to prohibiting discriminatory practices in real property transactions on the basis of sexual orientation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 537, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 537, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Kawamoto). Excused, 2 (English, Hogue).

SCRep. 3198 Judiciary and Hawaiian Affairs on H.B. No. 1980

The purpose of this measure is to eliminate closed hearings in Family Court child protective services (CPS) matters, allow parents involved in CPS matters to be represented by a non-lawyer advocate in hearings, require a review of Family Court judges, and require Family Court judges to enforce perjury statutes.

Testimony in support of this measure was submitted by Pro-Family Hawaii and nineteen individuals. Comments were also submitted by the Judiciary, the Department of Human Services, and Child Welfare Services.

Your Committee finds that there have been many concerns raised by the community about the treatment of parents and children involved with CPS. Your Committee further finds that closed hearings in CPS cases perpetuate feelings of distrust and a lack of a fair hearing. Your Committee believes that these hearings should be open to the general public.

Your Committee also recognizes that there are federal requirements that address child protection and treatment. Your Committee further notes that by opening Family Court hearings to the public, the process must be closely examined to prevent violating the federal Child Abuse Prevention and Treatment Act while carrying out the purpose of this measure.

Your Committee adopted the amendments suggested by the Judiciary to clarify that non-lawyer advocates must meet specific criteria in order to represent parents in court.

Your Committee also adopted the amendments suggested by the Department of Human Services to clarify that:

- (1) An advocate shall represent only the parent who agrees to the representation; and
- (2) The State shall not reimburse any fees or expenses associated with the advocate's representation of the parent.

Your Committee has also amended this measure to:

- (1) Clarify that all hearings shall be open to the general public unless a parent or child, through the child's guardian ad litem, requests the hearing to be confidential. If a request is made, the judge shall make a decision on the record whether closure of the hearing is in the best interest of the child;
- (2) Delete the provision that parents shall be able to bring "any other adult" to the hearing because the hearing is open to the general public, so any adult is allowed to attend; and
- (3) Amend the effective date to July 1, 2005, a date that is after the Chief Justice of the Supreme Court is to provide a report of the Family Court judges to the Legislature.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1980, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1980, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Hogue).

SCRep. 3199 Judiciary and Hawaiian Affairs on H.B. No. 2320

The purpose of this measure is to remove judicial discretion to mandate that defendants make restitution to victims and provide that a defendant's financial ability to make restitution payments may be considered only in connection with establishing a restitution payment schedule.

Testimony in support of this measure was submitted by the State Crime Victim Compensation Commission (Commission), Department of the Prosecuting Attorney for the City and County of Honolulu (Honolulu Prosecuting Attorney), Department of the Prosecuting Attorney for the County of Maui, Hawaii County Office of the Prosecuting Attorney, Office of the Prosecuting Attorney for the County of Kauai, Mothers Against Drunk Driving, and the Sex Abuse Treatment Center. Testimony in opposition to this measure was submitted by the Office of the Public Defender. Comments were submitted by the Judiciary.

Your Committee finds that restitution is not a new sentencing option. Requiring that criminal offenders pay restitution to victims for the harm caused represents traditional concepts of justice. Your Committee further finds that in recent years, the criminal justice system has shifted the focus from restoring victims to punishing the criminal offender. Crimes previously committed against individuals are now considered crimes committed against the State. Your Committee believes that restoring a victim is as important as punishing a criminal offender, and this measure reestablishes the importance of restitution.

Your Committee adopted the amendments suggested by the Honolulu Prosecuting Attorney by:

- (1) Requiring that courts shall order restitution to be paid to the Commission if the victim is awarded criminal injuries compensation;
- (2) Clarifying that payment of restitution and a compensation fee have priority over the payment of a fine, and payment of restitution has priority over payment of a compensation fee; and
- (3) Amending section 706-624, Hawaii Revised Statutes, to require making restitution an explicit condition of a sentence of probation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2320, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2320, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Hogue).

SCRep. 3200 (Joint) Judiciary and Hawaiian Affairs and Commerce Consumer Protection and Housing on H.B. No. 2674

The purpose of this measure is to exempt disclosure of personal information from government records that are otherwise public records, and to restrict merchant club cards from requesting personal information except for credit purposes.

Specifically this measure:

- (1) Ensures that social security numbers are exempt from disclosure in documents that are otherwise public records; and

- (2) Prohibits retail merchant club card issuers from requesting personal identifying information; and
- (3) Allows retail merchant club card issuers to share cardholder information for marketing purposes if the issuer complies with established procedures.

Testimony in support of this measure was submitted by the Office of Information Practices, Hawaii Food Industry Association, Retail Merchants of Hawaii, State Farm Insurance Companies, and T-Mobile, Inc. Comments were submitted by the Department of Commerce and Consumer Affairs and Costco Wholesale Corporation.

Your Committees find that identity theft is a serious problem for consumers in Hawaii. One important step toward protecting consumers from identity theft is by protecting against the use and disclosure of personal identifying information, including social security numbers. Information like social security numbers are a unique identifier that are used in conjunction with other personal information for many purposes, including obtaining credit, loans, opening financial accounts, and even enrolling in school.

Your Committees adopted the amendments recommended by the Retail Merchants of Hawaii by adding an exception to the rule prohibiting retail merchant club card issuers from requesting personal identifying information for check verification purposes.

Your Committees also adopted the amendments recommended by Costco Wholesale Corporation by:

- (1) Clarifying that the restrictions for requesting personal information shall not apply when the retail merchant club card issuer complies with established procedures;
- (2) Clarifying the type of cardholder information that may be shared with other businesses for purposes of marketing information; and
- (3) Requiring club card issuers to include a written statement notifying club cardholders that cardholders may choose to opt out from the sharing of their information.

Your Committees amended this measure by changing the effective date of section 2 to July 1, 2030. Your Committees further amended this measure by making technical, nonsubstantive changes.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2674, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2674, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 12. Noes, none. Excused, 2 (Ige, Kawamoto).

SCRep. 3201 (Joint) Energy and Environment and Science, Arts, and Technology on H.B. No. 2049

The purpose of this measure is to amend to statute governing energy retrofit and performance contracting for public facilities by:

- (1) Increasing the allowable length of energy performance contracts from fifteen years to twenty years;
- (2) Broadening the financing options for energy performance contracts;
- (3) Replacing shared savings plans with guaranteed savings plans;
- (4) Amending the definition of “energy performance contract” to include water saving technology retrofits; and
- (5) Adding a definition for “financing agreement.”

Testimony in support of the measure was submitted by the Director of Business, Economic Development, and Tourism; Managing Director of the City and County of Honolulu; Hawaii Renewable Energy Alliance; Hawaiian Electric Company, Inc.; Sierra Club, Hawai'i Chapter; Powerlight Solar Electric Systems; The League of Women Voters; and two individuals. The Conservation Council for Hawai'i; Maui Sierra Club; Affordable Solar Contracting; Respiratory & Environmental Disabilities Association of Hawaii; Na Leo Pohai, The Outdoor Circle; Melody Farm; Century 21, All Islands; DreamMakers Foundation, Maui Arts & Music Association, People Aligned in Positive Action; Pacific West Mortgage, Kulamanu Realty; The Surf rider Foundation; Life of the Land; Hawaii Wildlife Fund; and twenty individuals submitted comments on the measure.

Your Committees find an overwhelming majority of the testifiers requested the addition of a provision increasing the renewable portfolio standards for electric utility companies to the measure. Your Committees agree with those testifiers and also believe that the definition of “renewable energy” needs clarification and inclusion of seawater air conditioning district cooling systems and solar air conditioning. Your Committees further believe that the Public Utilities Commission should take measures to ensure that any revised renewable portfolio standards are properly implemented, monitored, and reviewed.

Accordingly, your Committees amended the measure by:

- (1) Clarifying the definition of “renewable energy” in situations where renewable and nonrenewable means are used to produce fuels, and where fossil and renewable fuels are used to produce electricity;

- (2) Including seawater air conditioning district cooling systems and solar air conditioning in the definition of “renewable energy”;
- (3) Amending the renewable portfolio standards for electric utility companies by revising the renewable energy standards for the years 2010, 2015, and 2020 to ten, twenty, and thirty per cent, respectively, of net electricity sales;
- (4) Requiring the Public Utilities Commission to:
 - (A) Develop and implement a utility rate structure by December 31, 2006 to provide incentives for Hawaii’s electric utility companies to meet the revised renewable portfolio standards;
 - (B) Study the impact of the new utility rate structure on electric utility companies’ profit margins;
 - (C) Contract with third parties to evaluate the ability of electric utility companies to meet the revised renewable portfolio standards and make findings and recommendations for projected standards for five and ten years beyond the then current standard; and
 - (D) Report its finding and recommendations to the 2009 legislature and every five years thereafter; and
- (5) Making technical, nonsubstantive changes for style and formatting.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2049, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2049, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Fukunaga, Kanno, Hemmings).

SCRep. 3202 (Joint) Energy and Environment and Economic Development on H.B. No. 2074

The purpose of this measure is to ensure that allowable waivers or reductions of penalties for small businesses will not apply to any laws protecting the environment or cultural resources.

Testimony in support of the measure was submitted by the Chairperson of the Board of Land and Natural Resources; Sierra Club, Hawaii Chapter; and Hawaii Audubon Society. The Office of Hawaiian Affairs submitted comments on the measure.

Your Committees believe that amending the existing laws to ensure that state agencies are not inadvertently compelled to waive or reduce penalties for health, environmental, and cultural preservation law violators is in the public interest. Your Committees, however, find that the issues raised by the Office of Hawaiian Affairs and the concerns of small commercial boaters regarding the inconsistencies in the management of ocean resources by the Division of Boating and Ocean Recreation merit further consideration.

Accordingly, your Committees amended this measure by inserting an effective date of May 15, 2010 to ensure ongoing discussions on those issues.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2074, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2074, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Baker, Ihara, Kanno, Kawamoto).

SCRep. 3203 (Joint) Energy and Environment and Water, Land, and Agriculture on H.B. No. 2498

The purpose of this measure is to authorize the Department of Land and Natural Resources to adopt interim rules to protect native species threatened with imminent local extirpation or species extinction.

Testimony in support of the measure was submitted by the Chairperson of the Board of Land and Natural Resources; Sierra Club, Hawaii Chapter; and Hawaii Audubon Society.

Your Committees find that Hawaii’s endangered species deserve the highest level of protection from imminent harm or extinction. Your Committees further find that interim rules to protect the State’s endangered species is needed to ensure that the DLNR can promptly and adequately address situations that require an urgent response.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2498, H.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hooser, Kanno, Whalen).

SCRep. 3204 (Joint) Labor and Education on H.B. No. 2871

The purpose of this bill is to promote the health and well-being of public school students by:

- (1) Prohibiting smoking by public employees on any public school property, on school transportation, and at school-sponsored functions; and
- (2) Excluding smoking in public schools as a negotiable item for all public employees.

The Department of Human Resources Development, the Department of Health, the Hawaii State Teachers Association, the Hawaii County Council, the American Heart Association, the American Lung Association of Hawaii, the American Cancer Society, the Hawaii Medical Service Association, the Hawaii Island Tobacco-Free Partnership, the Coalition for a Tobacco Free Hawaii, and several concerned citizens submitted testimony in support of this measure. The Department of Education submitted testimony in support of the intent of this measure.

One individual testified in opposition to this measure. The United Public Workers, Local 646, AFL-CIO also submitted comments on the measure.

Your Committees find that the Hawaii State Constitution provides for the right of public employees to collectively bargain. Additionally, your Committees are aware of the arbitration award issued by Edward Parnell in the matter between the United Public Workers and the Department of Education, wherein the arbitrator found that regulation of the use of tobacco by public employees is a mandatory subject for collective bargaining.

Your Committees have attempted to craft a compromise that addresses the interests of students to attend school in a smoke-free environment and the rights of the affected employees of bargaining units (1) and (10).

Your Committees are advancing this measure as a demonstration of their commitment to providing a safe and healthy school environment.

Accordingly, your Committees have amended this measure by:

- (1) Prohibiting the use of tobacco at public schools and at public school functions while providing breaks to affected employees;
- (2) Deleting all remaining language as inconsistent with the intent of complying with the Pro-Children Act while recognizing public employees' constitutional right to collective bargaining; and
- (3) Requiring the Department of Education to offer a smoking cessation program for public employees who wish to participate.

Additionally, your Committees would like to recognize the efforts of the Department of Education and the United Public Workers in reaching an agreement as to the amended language of this measure.

As affirmed by the records of votes of the members of your Committees on Labor and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2871, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2871, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Chun Oakland, Taniguchi, Tsutsui).

SCRep. 3205 (Majority) Labor on H.B. No. 2740

The purpose of this measure is to extend the amount of time a covered employer must provide written notification of a closing, partial closing, or relocation to its employees and the Director of Labor and Industrial Relations from sixty to ninety days.

This measure also:

- (1) Requires the employer of a covered establishment to provide written notification of the discontinuance, termination, or reduction of housing or housing assistance to its employees and the Director of Labor and Industrial Relations one hundred eighty days prior to such discontinuance, termination, or reduction; and
- (2) Establishes a definition for the term "housing assistance."

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO, the ILWU Local 142, and a private citizen.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, and a private citizen.

Your Committee finds that during these tough economic times, it is crucial that employees be informed at the earliest possible opportunity as to decisions of employers which will adversely affect their employment status and economic security. Under the current law, an employer covered by the Dislocated Workers Law is required to provide employees at least sixty days notice as to impending closures or relocations. Your Committee determines that the provision of thirty additional days of notice to employees will provide

invaluable time for these individuals to attempt to secure other employment or make other necessary provisions in light of the closure or relocation.

Additionally, your Committee finds that some covered employers may also provide their employees with housing or housing assistance, which becomes a benefit upon which the employees rely. The termination of the provision of housing or housing assistance can be equally devastating to an employee as a business' closure or relocation. This point is demonstrated by the situation that the residents of the Del Monte housing compound at Poamoho Village are currently experiencing. After providing housing to current and former employees for many years, Del Monte recently decided not to renew its lease of the land at Poamoho Village and informed the sixty families residing therein that they had one hundred twenty days to vacate the premises. Many of these families are working to negotiate with Del Monte to avoid losing their homes and are otherwise struggling to find alternative housing.

Therefore, your Committee determines that although the extension of time by which employees must be notified of the discontinuance or termination of housing cannot help the Poamoho residents, this measure can serve to assist other similarly situated individuals in the future to provide them with ample time to make necessary arrangements and avoid any additional drain on the State's resources. However, your Committee believes that requiring an employer to provide written notification to an employee when a reduction in housing or housing assistance occurs could prove to be overly burdensome. Under this measure, even a one dollar decrease in a housing subsidy provided by the employer would require the provision of six months prior notice, an unreasonable requirement under the circumstances. Your Committee also believes that it should be made clear that a covered employer should not be required to provide an employee with notification of the discontinuance or termination of housing or housing assistance when such is a result of an employee's resignation or termination for cause.

Accordingly, your Committee has amended this measure by:

- (1) Removing references to the requirement of providing written notification in the event of a reduction of housing or housing assistance;
- (2) Specifying that written notification of the discontinuance or termination of housing or housing assistance is not required if an employee resigns or is terminated for cause; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2740, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2740, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

SCRep. 3206 (Joint) Health and Human Services on S.C.R. No. 72

The purpose of this measure is to request that the Department of Health, Department of Human Services, Office of the Public Guardian, and all providers of long-term care services to consider transfer trauma before relocating facility residents.

Testimony in support of this measure was received from the Department of Health, Department of Human Services, State Council on Developmental Disabilities, Hawaii Disability Rights Center, and AARP Hawaii.

Your Committees find that transfer trauma is a well-documented medical and psychological phenomenon that can cause severe illness or even death, and whose effects are more pronounced in the elderly and the physically and mentally impaired. However, there is no provision in the current law that takes into account transfer trauma as decisions are made which affect the transfer of care home residents. Protocols must be established that addresses relocating residents of long-term care facilities from one setting to another.

Your Committees have amended this measure by making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 72, as amended herein, recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.C.R. No. 72, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hooser, Kokubun, Tsutsui, Trimble).

SCRep. 3207 (Joint) Health, Human Services and Education on S.C.R. No. 75

The purpose of this measure is to urge the Governor, Department of Health, Department of Human Services, and the University of Hawaii to recognize the importance of the contributions of family caregivers and to support them to the extent possible, as a state objective in serving the long-term care needs of its residents.

Testimony in support of this measure was received from the Department of Health, Department of Human Services Policy Advisory Board for Elder Affairs, and a private citizen.

Your Committees find that it is in the interest of the State to devise mechanisms to assist family caregivers who care for the elderly and who provide long-term care at home. It is estimated that family caregivers provide over eighty percent of home care services and

over ninety percent of all long-term care services in Hawaii. Moreover, providing care has become more difficult for family caregivers because those who need long-term care are living longer.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 75 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Kawamoto, Kokubun, Tsutsui, Trimble).

SCRep. 3208 (Joint) Health, Human Services and Education on S.R. No. 35

The purpose of this measure is to urge the Governor, Department of Health, Department of Human Services, and the University of Hawaii to recognize the importance of the contributions of family caregivers and to support them to the extent possible, as a state objective in serving the long-term care needs of its residents.

Testimony in support of this measure was received from the Department of Health, Department of Human Services Policy Advisory Board for Elder Affairs, and a private citizen.

Your Committees find that it is in the interest of the State to devise mechanisms to assist family caregivers who care for the elderly and who provide long-term care at home. It is estimated that family caregivers provide over eighty percent of home care services and over ninety percent of all long-term care services in Hawaii. Moreover, providing care has become more difficult for family caregivers because those who need long-term care are living longer.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 35 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Kawamoto, Kokubun, Tsutsui, Trimble).

SCRep. 3209 (Joint) Health and Education on S.C.R. No. 90

The purpose of this measure is to request the Department of Health to develop a program to ensure that all schools are staffed with school health aide personnel at all times.

Testimony in support of this measure was received from the Department of Health (DOH), Department of Education (DOE), Hawaii State Teachers Association, and Hawaii Government Employees Association.

Your Committees find that two-hundred fifty-five of two-hundred fifty-six public schools in the State have a permanent school health aide position. However, only forty-nine substitute school health aides statewide provide coverage during the absence of the permanent school health aide. This causes a problem for school principals, trying to find coverage to ensure the health and safety of students, when school health aides are absent from work. This measure would help ensure that all public school health rooms would be staffed at all times during the school day with qualified health personnel.

Your Committees have amended this measure by:

- (1) Requesting the DOH collaborate with the DOE; and
- (2) Requiring a status report to be submitted to the Legislature.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 90, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 90, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Kawamoto, Kokubun, Tsutsui).

SCRep. 3210 Health on Gov. Msg. Nos. 240 and 241

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, WINDWARD OAHU SUBAREA

G.M. No. 240 GREGG Y. OISHI, for a term to expire 06-30-07;

G.M. No. 241 BONNIE LEE S.L. PANG, for a term to expire 06-30-07;

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Health Planning Council, Windward Oahu Subarea.

GREGG Y. OISHI is being reappointed to this Council. He is Vice President and Chief Financial Officer at Kuakini Health System. His educational background includes a Bachelor's degree in Business Administration from the University of Hawaii, and he is

a Certified Public Accountant. He has also participated with the Health Financial Managers Association and Healthcare Association of Hawaii.

Testimony in support of nominee BONNIE LEE S. L. PANG was submitted by Kaiser Permanente and two individuals. Ms. Pang attended the University of Redlands and has a Masters in Business Administration from the University of Phoenix. She is employed with Marsh USA, Inc. as an Assistant Vice President in employee benefit programs. Her numerous community activities include work with the Hawaii Business Health Council, Society of Human Resources Managers, and Hawaii Association of Health Underwriters.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

SCRep. 3211 Health on Gov. Msg. No. 374

Recommending that the Senate advise and consent to the nomination of the following:

STATE HEALTH PLANNING DEVELOPMENT AGENCY

G.M. No. 374 DAVID T. SAKAMOTO, MD, MBA, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of State Administrator of the State Health Planning Development Agency.

Testimony in support of the nominee was submitted by the Department of Health, Hawaii Health Systems Corporation, Queen's Medical Center, Healthcare Association of Hawaii, and seven individuals.

Nominee DAVID T. SAKAMOTO is a licensed medical doctor and has a Masters in Business Administration. He has held positions as Assistant Administrator of Quality Management at St. Francis Medical Center and Risk Manager at Wahiawa General Hospital. In addition to being a physician, Dr. Sakamoto's knowledge in risk management and quality assurance gives him solid insight into the functional needs of a hospital to operate in a manner that is efficient and effective.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 3212 Health on Gov. Msg. Nos. 380, 381 and 382

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 380 TERRI FUJII, for a term to expire 06-30-08;

G.M. No. 381 PATRICK S. SAKA, for a term to expire 06-30-08; and

G.M. No. 382 MARK H. YAMAKAWA, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Statewide Health Coordinating Council.

Your Committee received testimony in support of TERRI FUJII from the State Health Planning and Development Agency. Ms. Fujii is currently a partner with the public accounting firm of Ernst & Young LLP, where she oversees the health sciences practice of the Honolulu office. Ms. Fujii received bachelor and master degrees in accounting from the University of Hawaii at Manoa, served as past president of the Healthcare Financial Management Association, and is the treasurer of the Honolulu Zoological Society. Ms. Fujii has been a member of this Council since 2001 and is seeking reappointment.

Your Committee received testimony in support of PATRICK S. SAKA from the State Health Planning and Development Agency. Mr. Saka currently is the Publisher of the 101 Things To Do magazines, as well as Director of Operations for Hawaii.com. He previously was the Publisher and General Manager of The Maui News. Mr. Saka received a degree in accounting from the University of Hawaii at Manoa and serves his community as President of the Maui County Council, Boy Scouts of America, and as a board member of the Maui Chamber of Commerce, Maui United Way, Hospice Maui, Kiwanis Club of Maui, Hawaii Publishers Association, and Maui Bronco League. Mr. Saka has been a member of this Council since 2001 and is seeking reappointment.

Your Committee received testimony in support of MARK H. YAMAKAWA from the State Health Planning and Development Agency and an individual. With twenty years of experience in the health field, Mr. Yamakawa currently serves as President and CEO of Queen's Development Corporation. Mr. Yamakawa received a degree in industrial engineering and operations research from the University of California at Berkeley, and a Master's in Business Administration from the University of Hawaii at Manoa. Mr. Yamakawa is an active member of his community, serving on the boards of the Kalihi-Palama Health Center and Hospice Hawaii. Mr. Yamakawa has been a member of this Council since 2001 and is seeking reappointment.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 3213 Health on Gov. Msg. Nos. 383, 384, 385 and 386

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, HAWAII COUNTY SUBAREA

- G.M. No. 383 WAYNE S. HIGAKI, for a term to expire 06-30-08;
- G.M. No. 384 KERRY A. K. INOUE, for a term to expire 06-30-08;
- G.M. No. 385 PAUL PRESCOTT PAIVA, for a term to expire 06-30-08; and
- G.M. No. 386 ALAN R. PARKER, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Health Planning Council, Hawaii County Subarea.

Your Committee has received testimony in support of WAYNE S. HIGAKI from the State Health Planning and Development Agency. With twenty-four years of experience in the health care field, Mr. Higaki currently serves as Assistant Vice President at the North Hawaii Community Hospital on the island of Hawaii. He is a graduate of Kapiolani Community College with a degree in radiology technology. Mr. Higaki has served on this Council for the last four years and is seeking reappointment.

Your Committee has received testimony in support of KERRY A. K. INOUE from the State Health Planning and Development Agency. With twenty-eight years of experience as a firefighter and emergency medical technician, Mr. Inouye is a retired firefighter from the Airports Division of the Department of Transportation, as well as from the U.S. Coast Guard Reserve. He attended San Francisco City College and University of Hawaii at Hilo. Mr. Inouye is active in his community through the University of Hawaii and Hilo Athletic Association. Mr. Inouye has been with this Council since 2001 and is seeking reappointment.

Your Committee has received testimony in support of PAUL PRESCOTT PAIVA from the State Health Planning and Development Agency. Mr. Paiva currently serves as Battalion Chief with the Hawaii County Fire Department and is in the U.S. Coast Guard Reserve. Mr. Paiva received a degree in Fire Science from the Honolulu Community College and is certified as a Paramedic by the National Registry of Emergency Medical Technicians, and as a Mobile Intensive Care Technician by the State of Hawaii. Mr. Paiva serves his community as an assistant instructor at the Hilo Hongwanji Judo Club and as a first aid instructor for the Boy Scouts. He was awarded the Firefighter of the Year for 1993.

Your Committee has received testimony in support of ALAN R. PARKER from the State Health Planning and Development Agency and the Executive Office on Aging. With over twenty-five years of work in the field of aging, Mr. Parker currently serves as the County Executive of the Hawaii County Office of Aging. Mr. Parker attended St. Martin's College in Olympia, Washington, and received his degree in Sociology from the University of Hawaii at Hilo. Mr. Parker has been a member of this Council since 2000 and is seeking reappointment.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 3214 Health on Gov. Msg. Nos. 389, 390, 391 and 392

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, KAUAI COUNTY SUBAREA

- G.M. No. 389 LILI BRYAN-CONANT, for a term to expire 06-30-08;
- G.M. No. 390 ALAN R. KIMURA, for a term to expire 06-30-08;

G.M. No. 391 TRINIDAD RAVAL, for a term to expire 06-30-08; and

G.M. No. 392 ELIZABETH UBAY, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Health Planning Council, Kauai County Subarea.

The State Health Planning and Development Agency submitted testimony supporting nominee LILI BRYAN-CONANT's reappointment to the council. She is a Manager of Medical Network Operations – Neighbor Islands for Hawaii Medical Service Association. Her degrees include a Bachelor of Arts in English from the University of California, Santa Barbara and a Bachelor of Science in Sociology from the University of Hawaii. Aside from her membership on the council, her community activities include participation with St. Francis Medical Center/Home Care Advisory Committee, American Heart Association, and Kauai Dental Health Task Force.

Nominee ALAN R. KIMURA is being reappointed to the council. Testimony in support of Mr. Kimura was submitted by the State Health Planning and Development Agency. Mr. Kimura is a graduate of Kapaa High and Intermediate Schools. Currently, he is employed with the Princeville Corporation. He is active in the community as a Head Coach in Soccer and Basketball and as a member of the North Shore Community Planning Association. He has served in the United States Air Force and Hawaii Air National Guard.

Testimony in support of nominee TRINIDAD RAVAL was submitted by the State Health Planning and Development Agency. Mr. Raval holds a Bachelor of Science in Agriculture from the University of Philippines and is currently a Research Technician for the University of Hawaii College of Tropical Agriculture. He actively participates in numerous community organizations such as the United Filipino Council, Kauai Filipino Community Council, Laoag Saranay Association, Kauai Visayan Club, and Immaculate Conception Filipino Catholic Club.

Nominee ELIZABETH UBAY is being reappointed to the council. Testimony in support of Ms. Ubay was submitted by the State Health Planning and Development Agency. She has a Bachelor of Science in Business Administration from Chapman University. Ms. Ubay is involved with many community organizations including the Kauai Chamber of Commerce, Society for Human Resource Management, Zonta Club of Kauai, and Boy Scouts of America. Since 1998, she has been employed with Princeville Corporation as their Human Resources Manager.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 3215 Water, Land, and Agriculture on H.B. No. 1743

The purpose of this measure is to prohibit artificial lights that are positioned toward or directly illuminate the ocean, unless those lights are authorized and required for public safety or safe ocean navigation.

Testimony in support of the measure was submitted by the Department of Land and Natural Resources, Division of Forestry and Wildlife; Office of Hawaiian Affairs; KAHEA: The Hawaiian-Environmental Alliance; Conservation Council for Hawai'i; Sierra Club, Hawaii Chapter; Hawaii Audubon Society; Portlock Community Association; Hawai'i Wildlife Fund; Earthtrust; and fourteen individuals. Testimony in opposition to the measure was submitted by the City and County of Honolulu, Department of Planning and Permitting; Land Use Research Foundation of Hawaii; and Hawai'i Hotel & Lodging Association.

Your Committee finds that artificial lighting shining on the ocean or illuminating ocean waters can cause the death of hatching sea turtles, fledgling shearwaters, nocturnal flying sea birds and migratory birds. Your Committee further finds that artificial lights can adversely affect the behavior of fish and harm corals that naturally spawn during a full moon by causing them to spawn artificially during the dark phase of the moon cycle. Your Committee believes that a prohibition against those artificial lights that pose a hazard to nocturnally active wildlife is imperative to protect those animals from serious harm. Your Committee, however, also heard the concerns of hotel operators that a blanket prohibition would be overly broad and unduly restrict their ability to use lighting in limited areas with little or no marine life activity to lure manta rays as attractions for guests.

Accordingly, your Committee amended this measure by:

- (1) Adding language to the purpose section providing for an exception for certain fixtures for hotels and hotel-condos;
- (2) Adding an additional new section to chapter 205 providing for an exception for outdoor lighting fixtures in hotels/hotel-condos that are under water or directed downward and illuminate a limited area of no more than thirty feet into the ocean waters;
- (3) Correcting the defective effective date to July 1, 2004; and
- (4) Making technical, nonsubstantive changes for conformity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1743, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1743, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3216 Transportation, Military Affairs, and Government Operations on H.B. No. 1898

The purpose of this measure is to raise public awareness regarding the importance of developing personal financial management skills in Hawaii's youth by designating April as "Financial Literacy for Youth Month."

Testimony in support of this measure was received from the Department of Education, Hawaii Credit Union League, Hawaii Council on Economic Education, and Hawaii Financial Services Association.

Your Committee finds that this measure seeks to increase financial literacy among Hawaii's young people. Financial literacy includes developing strong financial skills in the management of money, credit, and debt, as well as preparing personal budgets and analyzing the financial markets. In addition, financial literacy is also included in the "Skills for Life and Work" curriculum of the Department of Education where students are expected to prepare budgets, make forecasts, and keep financial records. Your Committee finds that creating this financial awareness will help students become financially responsible citizens.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1898, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 3217 Commerce Consumer Protection and Housing on H.B. No. 2569

The purpose of this measure is to establish requirements for the use of the term "Niihau" in connection with the offer or sale of jewelry and seashell products.

The Office of Hawaiian Affairs testified in support of this measure. The Department of Agriculture commented on the measure. Eleven individuals opposed the measure.

Your Committee finds that true Niihau shells are rare and precious commodities, and that the collection of shells and the making of Niihau shell lei are Native Hawaiian cultural traditions. Your Committee further finds that it is necessary to establish requirements for the use of the term "Niihau" in connection with seashells and seashell products in order to protect the integrity of Niihau shells, in the same way that statutory protections have been established for Hawaii-made products, Kona coffee, and koa wood products.

This measure prohibits the offer, display or sale of jewelry or seashell products described, labeled, or identified using the term "Niihau", unless one hundred per cent of the shells in the product are harvested from Niihau, or its waters or beaches, and the product is made entirely within the State. Additionally, this measure allows the use of the term "Niihau" to describe the percentage of Niihau seashells in a product that consists of at least eighty per cent Niihau shells and that is made entirely within the State.

Your Committee has amended this measure to:

- (1) Define "Ni'ihau shells" as seashells harvested from the island of Ni'ihau, its waters, or its beaches; and
- (2) Establish specific wording requirements for the content labeling of products consisting of at least eighty per cent Ni'ihau shells and made entirely in Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2569, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2569, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

SCRep. 3218 Transportation, Military Affairs, and Government Operations on H.B. No. 1937

The purpose of this measure is to require that the military representative on the Board of Education (BOE) be seated with board members when attending official meetings.

This measure also requires the military representative to participate in the discussions and debates about BOE matters, except executive sessions, when the subject matter impacts students of military families.

Testimony in support of this measure was received from the State Department of Defense and Chamber of Commerce of Hawaii.

This measure enables the military families who have students enrolled in public schools to have a more responsive advisory role regarding the State's education policies and departmental actions. Your Committee believes that the large number of military students enrolled in public schools requires the active participation of the military in the decision-making process at the policy-making level of the BOE.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1937, H.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 3219 Commerce Consumer Protection and Housing on H.B. No. 2630

The purpose of this measure is to remove the prohibition against commissions for the sale of fuel-purchase options to lessees.

Testimony in support of this measure was submitted by The Hertz Corporation, Dollar Thrifty Automotive Group, Inc., and Catrala-Hawaii. Testimony in opposition to this measure was submitted by Advocates for Consumer Rights. The Department of Commerce and Consumer Affairs also submitted comments on the measure.

Your Committee finds that since 1996, U-drive companies have been authorized to offer fuel-purchase options to their lessees. A fuel-purchase option is provided as a convenience to lessees, whereby lessees are offered the option of purchasing a full tank of fuel at the time of taking delivery of the rental vehicle and are not required to later return a refueled vehicle. However, unlike their mainland counterparts, U-drive companies in Hawaii are prohibited from providing commissions to their officers, agents, employees, or representatives for the sale of such options.

Your Committee further finds that a lessee may opt out of a fuel-purchase option by returning a rental vehicle with a full tank of fuel. Additionally, there have been no significant reports of complaints or abuse associated with the sale of fuel-purchase options. Therefore, as the law also provides for adequate penalties and deterrents for abuse in the motor vehicle rental industry, employees of U-drive companies should be afforded the opportunity to earn commissions related to their efforts in selling fuel-purchase options.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2630, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

SCRep. 3220 Judiciary and Hawaiian Affairs on H.B. No. 1004

The purpose of this measure is to repeal the interstate parole and probation compact.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. The proposed S.D.1 amends Act 161, Session Laws of Hawaii 2002 (Act 161), by allowing convictions prior to Act 161 to be re-sentenced, allowing other convictions associated with the drug offense to be expunged, and allowing expungement of the conviction of the drug offense.

Testimony in support of this measure was submitted by the Office of the Public Defender, Adult Friends for Youth, American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, and two individuals. Testimony in opposition to this measure was submitted by the Department of the Attorney General and the Department of the Prosecuting Attorney for the City and County of Honolulu. Comments were submitted by the Judiciary.

Your Committee finds that some people make a mistake and are convicted for a one-time drug offense. If that conviction occurred prior to the enactment of Act 161, that person would be unable to expunge the first-time drug offense record even if he or she has turned his or her life around and become a productive citizen.

Your Committee further notes that there is a compounded problem for immigrants who make that same mistake. Not only are they not allowed to expunge their record, but that one drug conviction subjects them to removal proceedings and mandatory detention without bond until they are deported, even if the conviction was from ten to fifteen years ago.

Your Committee finds that this measure allows convictions prior to Act 161 to be re-sentenced and expunged along with other convictions associated with the drug offense.

Your Committee adopted the amendments in the proposed S.D. 1, and extended the repeal date of this measure to December 31, 2006.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1004, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1004, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 3221 Judiciary and Hawaiian Affairs on H.B. No. 2023

The purpose of this measure is to provide that, on an appeal by an aggrieved public assistance applicant or recipient, all of the evidence presented by the parties shall be considered, as allowed by chapter 91, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Department of Human Services, Legal Aid Society of Hawaii, and Hawaii Disability Right Center.

This measure is intended to clarify current law which does not reference chapter 91 or specify what evidence is to be presented at the hearing. The enactment of this measure would clarify the legislative intent that a fair hearing be afforded the aggrieved party, at which all evidence be presented to the extent allowable under the Administrative Procedure Act. This includes admission of material and relevant evidence, including evidence that may not have been previously considered on cross-examination. This process would enable the hearing officer to decide objectively whether the agency action was correct or incorrect.

Your Committee has amended this measure by:

- (1) Deleting the word “oneself” and replacing it with the words “the applicant or recipient’s self”, for clarification and consistency; and
- (2) Changing the effective date to “upon its approval.”

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2023, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2023, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (English, Hogue).

SCRep. 3222 Judiciary and Hawaiian Affairs on H.B. No. 2385

The purpose of this measure is to allow the Child Support Enforcement Agency, through the offices of county corporations counsel, county attorneys, or the Attorney General, and the federal agency providing funding and oversight for Hawaii’s child support enforcement system to have direct access to public health statistics records maintained by the Department of Health’s Office of Health Status Monitoring.

Testimony in support of the measure was received from the Department of the Attorney General, the Department of Health, and the Department of Human Services.

Your Committee finds that this measure is designed to comply with the requirements of federal law by providing the Child Support Enforcement Agency and the designated auditing federal agency access to public health statistics records maintained by the Department of Health’s Office of Health Status Monitoring. Access to these statistics, which include confidential birth and paternity establishment records, will not only make the child support enforcement process more efficient, but also ensure that appropriate action is taken when securing support for children, as well as satisfying federal reporting and data reliability requirements.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2385, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Hogue).

SCRep. 3223 Judiciary and Hawaiian Affairs on H.B. No. 2363

The purpose of this measure is to provide the Department of the Attorney General (AG) with clear statutory authority to oversee and supervise public benefit corporations and to initiate enforcement proceedings.

Testimony was submitted in support of this measure by the AG.

Your Committee finds that in 2001, the Hawaii Nonprofit Corporation Act (Act) was enacted under Chapter 414D, Hawaii Revised Statutes. However, when the Act was codified, provisions were not included that would give the AG tools, short of dissolution of the public benefit corporation, to allow oversight of these corporations.

Your Committee believes that the provisions left out of the Act should have been included. This measure provides the AG with the necessary authority to ensure that charitable assets of public benefit corporations are being appropriately used and ensures that the AG will receive the necessary notice of derivative suits, mergers, and judicial dissolution of public benefit corporations.

Your Committee has amended this measure by clarifying that the AG shall be given written notice within ten days of the commencement of any proceeding that the Act authorizes the AG to bring but has been commenced by another person.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2363, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2363, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Hogue).

SCRep. 3224 Water, Land, and Agriculture on H.B. No. 2341

The purpose of this measure is to provide for staggered terms for the Board of Directors of the Agribusiness Development Corporation.

Testimony in support of the measure was submitted by the Executive Director of the Agribusiness Development Corporation.

The terms of all of the current directors of the Agribusiness Development Corporation will expire on June 30, 2005. Your Committee finds that staggered terms will promote continuity of the corporation by preserving institutional memory and enhancing consistency in policy and decision making. Your Committee further finds that this measure will provide the Governor with the authority to make the necessary adjustments in the appointment process to address that concern.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2341, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3225 Ways and Means on H.B. No. 1839

The purpose of this measure is to establish a pain patient's bill of rights.

Specifically, the bill:

- (1) Allows a patient who suffers from severe chronic intractable pain to request or reject the use of any or all modalities for pain relief;
- (2) Provides that a patient who suffers from severe chronic intractable pain may choose pain relief options that include opiate medications;
- (3) Authorizes a physician to refuse to prescribe opiate medication for pain patients, and allows the physician to refer the patient to physicians who treat severe chronic intractable pain with methods that include opiates;
- (4) Allows patients to request an identification notice of the prescription for emergency treatment or law enforcement purposes; and
- (5) Allows the Board of Medical Examiners to establish guidelines for physicians, physician assistants, and osteopathic physicians relating to pain management for patients with pain.

Your Committee finds that pain management efforts will increase the quality of life for individuals whose life is negatively impacted by pain. Allowing pain patients to request pain management treatment that includes the use of opiate medications without first having to undergo invasive, painful procedures that may include surgery will help patients and their family members deal with the patient's severe pain. Your Committee believes that this bill will assist pain patients by allowing physicians to prescribe opiate therapy to relieve pain. For physicians who refuse to prescribe such medications, the physician is authorized to refer the patient to other pain management physicians.

Upon further consideration, your Committee has amended this measure by:

- (1) Clarifying that the bill is not limited to patients who suffer from severe chronic pain, but applies to patients who suffer from either severe chronic pain or severe acute pain;
- (2) Deleting a reference to "physician assistants" in connection with the guidelines for physicians that may be established for patients' pain management; and
- (3) Making technical nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1839, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1839, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Aduja, English, Kanno).

SCRep. 3226 (Majority) Ways and Means on H.B. No. 2844

The purpose of this measure is to provide additional funds for prevention and treatment programs for crystal methamphetamine.

More specifically, this measure increases the tobacco tax that goes into effect July 1, 2004, by an additional one-half cent to 7.5 cents, and allocates one cent of the proceeds of the tobacco tax for prevention and treatment programs and services for crystal methamphetamine.

Your Committee finds that the crystal methamphetamine, or "ice," epidemic in Hawaii has devastated the lives of many individuals and families, resulting in child and spousal abuse, increased crime, and homelessness. Your Committee also finds that earmarking a portion of the tobacco tax is an innovative option that will help fund critically needed crystal methamphetamine prevention and treatment programs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2844, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Kanno, Sakamoto).

SCRep. 3227 (Majority) Ways and Means on H.B. No. 1860

The purpose of this measure is to provide funding to child abuse agencies and programs through an income tax checkoff.

Specifically, this bill allows taxpayers to designate \$5 of state income tax refunds for any taxable year to the Hawaii Children's Trust Fund, Domestic Violence Prevention Special Fund, and the respective Spouse and Child Abuse Special Accounts under the Departments of Health and Human Services and the Judiciary.

Your Committee recognizes that domestic violence is a serious, ongoing problem in Hawaii. Children often are direct victims of abuse, suffer trauma from witnessing violence upon others, or are neglected by parents inflicting or suffering abuse. Statistics show that the national average of abuse for children under the age of one is 9.4 per cent, and Hawaii's average is 14.3 per cent.

Your Committee finds that child abuse and neglect prevention programs are severely underfunded. Currently, a majority of the funding is dedicated to physical abuse prevention programs, with very little funding going towards prevention of child neglect. This measure will not only provide a needed source of funding for these programs, but will also create a venue to inform the general public about the importance of child abuse and neglect prevention.

Your Committee has amended this bill by:

- (1) Amending the effective date to December 31, 2020, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1860, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1860, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 2 (Hemmings, Trimble). Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3228 (Majority) Ways and Means on H.B. No. 2061

The purpose of this measure is to establish an Aloha Aina Patrol in each of the four counties under the jurisdiction of the respective county police departments.

The Aloha Aina Patrol would consist of police cadets and police service officers assigned to popular Hawaii parks and beaches to provide security and peace-of-mind to visitors and residents alike. The Patrol would augment normal police services and provide added security to areas suggested by the Hawaii Tourism Authority. The Patrol would also serve as ambassadors of Aloha and goodwill and emphasize and perpetuate the Aloha Spirit. The Patrol would be financed by up to \$1,000,000 from the Tourism Special Fund.

In addition to providing funding for the Aloha Aina Patrol, the bill:

- (1) Removes the \$31,000,000 Transient Accommodations Tax cap reserved for the Convention Center Enterprise Special Fund, the excess above the cap is presently transferred to the general fund;
- (2) Provides a blank percentage for Transient Accommodations Tax proceeds earmarked for the Tourism Special Fund;
- (3) Raises the ceiling amount dedicated to the Tourism Special Fund from the Transient Accommodations Tax by \$1,000,000 for the Aloha Aina Patrol and provides a blank appropriation from the Tourism Special Fund for the purposes of the Patrol;

- (4) Provides a blank percentage of the Transient Accommodations Tax reserved for the Transient Accommodations Tax Trust Fund; and
- (5) Requires distribution of the Transient Accommodations Tax four times annually on the first day of January, April, July, and October.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2061, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Kanno, Sakamoto).

SCRep. 3229 (Majority) Ways and Means on H.B. No. 2608

The purpose of this measure is to improve the operational and financial efficiency of the Hawaii Tourism Authority.

Specifically, this measure:

- (1) Allows the Hawaii Tourism Authority to appoint or retain by contract attorneys for contract negotiations in which the attorney general lacks sufficient expertise;
- (2) Exempts the Hawaii Tourism Authority's accounts, from the supervision of the Comptroller;
- (3) Provides that the Executive Director of Hawaii Tourism Authority is exempt from the employee's retirement system and revises the compensation package from fifteen per cent of the 3.5 per cent of administrative expenses to nine per cent of the five per cent so authorized;
- (4) Authorizes the Hawaii Tourism Authority to appoint a sports coordinator to manage sporting events sponsored by the Hawaii Tourism Authority;
- (5) Requires all interest and revenues or receipts derived by the Hawaii Tourism Authority from any project or project agreements to be deposited into the tourism special fund;
- (6) Increases the amount that the Hawaii Tourism Authority may expend for administrative expenses from 3.5 per cent to five per cent of the tourism special fund; and
- (7) Appropriates \$8,000,000 from the tourism special fund to improve the operational and financial efficiency of the Hawaii Tourism Authority.

Your Committee finds that as tourism is critical to the Hawaii economy, it is necessary to improve the operational and financial efficiency of the Hawaii Tourism Authority.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2608, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Kanno, Sakamoto).

SCRep. 3230 Ways and Means on H.B. No. 2578

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Honolulu Seawater Air Conditioning, LLC, to build a seawater air conditioning/thermal energy storage district cooling system on Oahu.

Your Committee finds that utilizing deep cold seawater as an efficient, renewable, and environmentally-sound source is an accepted means of cooling large buildings. This technology has been successfully utilized at Cornell University and provides air conditioning for the entire Cornell University campus.

This bill would provide the means to develop district cooling systems that would utilize large offshore pipelines to tap Hawaii's offshore cold water to cool entire city districts, such as downtown Honolulu, Kakaako, or Waikiki.

Your Committee has amended the bill by providing an effective date of February 29, 2010, for the purpose of promoting continuing discussion on the bill and by making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2578, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2578, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3231 Ways and Means on H.B. No. 1560

The purpose of this measure is to provide the owner of a vessel the opportunity for an administrative hearing to contest the basis for taking custody of the vessel prior to its disposition.

In addition, this measure raises the value of vessels impounded by the Department of Land and Natural Resources that must be sold by public auction.

Your Committee finds that administrative hearings are available to owners or operators of vessels impounded for unauthorized mooring, however, there is no such provision for owners of abandoned or derelict vessels.

Your Committee further finds that proceeds from auctions of vessels in the \$5,000 or less value range rarely cover the administrative costs of the auction or the operational costs of vessel impoundment, transportation, and storage. This measure allows the Department of Land and Natural Resources to recoup these additional costs from the raised values.

Your Committee has amended this measure by making technical nonsubstantive changes, and by updating the effective date from July 1, 2003, to July 1, 2004.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1560, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1560, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Sakamoto).

SCRep. 3232 Ways and Means on H.B. No. 1793

The purpose of this measure is to direct the Department of Land and Natural Resources to negotiate with the George Galbraith Estate a land exchange involving private agricultural lands north of Wahiawa at Poamoho, Oahu.

Your Committee finds that this land exchange is in the public interest for a variety of reasons. First, the State would be in a better position to preserve those lands for agriculture. The Galbraith lands at Poamoho are among the most productive on Oahu and well-suited for agricultural pursuits.

Second, the Galbraith lands include submerged lands beneath Lake Wilson. The State's ownership and management of these lands would include the protection of water from Lake Wilson and may be offered for agricultural irrigation at a more affordable price.

Last, the land exchange could help preserve rental housing for sixty families living in Poamoho Camp. About ninety-five per cent of the tenants are employees of Del Monte and the rest are retirees of the company. It is an established community with nowhere to turn for affordable housing when Del Monte's lease expires.

For these reasons, your Committee finds that the Galbraith land exchange is of great importance for agriculture, water protection, and community stability.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1793, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Sakamoto).

SCRep. 3233 (Majority) Ways and Means on H.B. No. 1848

The purpose of this measure is to help preserve Hawaii's natural environment by establishing a tax deduction for exceptional trees.

Your Committee finds that it is imperative that Hawaii's unique environment be maintained for current and future generations. An exceptional tree is a tree with historic or cultural value or a tree that is worthy of preservation based on its age, rarity, location, size, esthetic quality, or endemic status. These trees beautify communities, conserve energy, and clean the air we breathe. Your Committee recognizes the importance of exceptional trees and believes this measure will provide a tax incentive needed for property owners to designate, maintain, and safeguard any exceptional trees on their property.

Your Committee has amended this measure by deleting the proposed tax deduction and replacing it with an authorization to the counties to establish a tax credit against county real property taxes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1848, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1848, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 2 (Slom, Trimble). Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3234 Ways and Means on H.B. No. 2322

The purpose of this measure is to authorize issuance of special purpose revenue bonds to assist Aloun Farms, a Hawaii corporation, in building an agricultural processing plant.

Your Committee finds that access to agricultural processing facilities is necessary to meet changing industry standards in agricultural marketing and to address potential food safety concerns. The development of an agricultural processing plant by Aloun Farms will enhance the sustainability of its operations.

Your Committee has amended this measure by inserting \$1 as the total amount of authorized special purpose revenue bonds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2322, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2322, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Sakamoto).

SCRep. 3235 Ways and Means on H.B. No. 2722

The purpose of this measure is to reduce sediment flow into the Ala Wai canal by funding the construction of retention basins and providing vegetative cover along stream banks in the Ala Wai watershed.

Specifically, this measure authorizes the issuance of general obligation bonds to fund projects relating to the Ala Wai watershed on Oahu.

Your Committee finds that the Ala Wai canal collects and drains runoff from Manoa, Palolo, Makiki, and other surrounding areas of Honolulu and serves as a catchment basin for sediment and pollutants that flow into the canal. As these pollutants pose many problems, your Committee believes that it is in the best interest of the people of the State to improve the Ala Wai watershed to reduce pollution and erosion in the watershed and thereby protect the health and safety of the public.

Your Committee amended this measure by:

- (1) Changing the lapse date from June 30, 2007, to June 30, 2006, as funds may be appropriated for a biennial appropriation period with a lapse date of not more than one year beyond the close of the biennial period; and
- (2) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2722, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2722, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kanno, Sakamoto, Trimble).

SCRep. 3236 Ways and Means on H.B. No. 2859

The purpose of this measure is to require the governor to convene a working group to study the feasibility of establishing a multi-purpose international equestrian facility.

Specifically, the measure requires that:

- (1) The working group include representatives of named relevant state agencies; the city and county of Honolulu; and public members who represent all stakeholders in the equestrian community;
- (2) The Department of Business, Economic Development, and Tourism shall provide staff and supporting services to the working group;
- (3) The working group review and consider a number of specific issues; and
- (4) The working group submit a report of its findings and recommendations to the Legislature no later than twenty days prior to the start of the regular session of 2005.

Your Committee finds that the establishment of an international equestrian facility in Hawaii that provides facilities and services for residents, mainland, and international visitors seems to have the potential for a broad-ranging positive impact on our State. The facility would not only benefit the local, national, and international equestrian communities for learning, training, and competition, but also would provide much needed economic development. A multi-purpose equestrian facility could provide a variety of job opportunities for residents. The facility also is envisioned to include vocational and habitative programs to benefit disabled and at-risk persons by interacting with horses.

Upon further consideration, your Committee has amended this bill to:

- (1) Provide representatives on the working group from each county, instead of only the city and county of Honolulu; and

- (2) Change the effective date of the bill from January 1, 2005 to July 1, 2004, to enable the working group to submit its report to the Legislature no later than twenty days prior to the start of the regular session of 2005.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2859, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2859, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3237 Ways and Means on H.B. No. 1756

The purpose of this measure is to authorize the High Technology Development Corporation to issue special purpose revenue bonds to assist Electricore, Inc. plan, design, construct, and operate facilities for the development of unmanned aerial vehicles, vehicle systems, and related integrated multiuse unmanned systems.

Your Committee finds that this measure authorizes the High Technology Development Corporation to issue special purpose revenue bonds in an amount not to exceed \$30,000,000 to assist Electricore, Inc. which is the facilitator of the Mid-Pacific Unmanned System Test Center that is developing extreme-endurance, high-altitude, unmanned aerial vehicles, which can function as the platforms for multiple missions and technologies. Your Committee finds that this is a high technology industrial enterprise and that the issuance of the special purpose revenue bonds is in the public interest and is beneficial to the public health, safety, and general welfare.

Your Committee has amended this measure by changing the effective date to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1756, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1756, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3238 (Majority) Ways and Means on H.B. No. 2396

The purpose of this measure is to establish a State Private Investment Fund and to clarify and improve several high technology industry tax credits.

Your Committee finds that the State is at a crossroads, with respect to the future of Hawaii's high technology industry. Just three years ago, under Act 221, Session Laws of Hawaii 2001, the State provided the financing vehicle for start-up high technology companies. These fledgling companies have grown quickly and have done well for themselves and are ready to take the next step forward, but more sophisticated growth financing is needed.

Since this second-level financing is not available in Hawaii, these Hawaii companies must move to where the money is located. Whether it is to Silicon Valley or elsewhere, their moving defeats the whole purpose of nurturing these companies to stay and grow in Hawaii.

This bill provides the means for the industry to stay rooted in Hawaii by establishing the State Private Investment Fund. The Fund provides the financing tools necessary to meet the continuing growth, needs, and objectives of the high technology industry.

The bill also clarifies and enhances other tax incentives developed to assist the high technology industry, including the high technology business investment tax credit, the technology infrastructure renovation tax credit, and the tax credit for research activities. The bill also clarifies criteria used to award tax incentives for high technology companies.

Your Committee has amended the bill by changing dollar amounts to blanks to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2396, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2396, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3239 Ways and Means on H.B. No. 2191

The purpose of this measure is to allow broad band distributed networks to operate in state enterprise zones.

A broad band distributed network provides data and voice communication access to the public. Currently, however, these services, by law, are not available in state enterprise zones. This restriction affects many businesses and organizations, including the majority of Department of Hawaiian Home Lands communities that are located primarily in state enterprise zones. The restriction is especially onerous to Hawaiian communities who are not able to participate in distance learning, tele-medicine, e-commerce and other digital education, healthcare, and economic development opportunities.

This bill removes the restriction on broad band distributed networks in state enterprise zones and in so doing, removes the handicap that has plagued business, cultural, and educational growth in enterprise zones.

Your Committee has amended the bill by changing the effective date to February 29, 2010 to promote further discussion on the bill. To reflect accepted drafting conventions, a nonsubstantive amendment also has been made to delete Ramseyer language that indicated the repeal of statutory language as the bill repeals no statutory language.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2191, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2191, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3240 (Majority) Ways and Means on H.B. No. 2611

The purpose of this measure is to provide incentives to attract film, video, digital media, and sound recording production companies to the State.

The measure accomplishes this by taking a two-pronged approach to bolster the State's high technology, media industry. The first part of the measure amends the structure and direction of the State's high technology, media industry policy, and the second part refocuses the State's tax credit incentives to include the digital media industry.

Specifically, part I of the measure:

- (1) Establishes a findings and purpose section under part IX of Chapter 201, relating to Hawaii television and film development; and
- (2) Adds four new sections that:
 - (A) Expand the title and various sections of part IX of Chapter 201, relating to Hawaii television and film development, to include the digital media industry;
 - (B) Delete the venture capital investment program established under the Hawaii television and film development law as a source of revenue;
 - (C) Rename the Hawaii Television and Film Development Board the Hawaii Digital Media Industry Development Board, increase the membership on the board to an unspecified number, and ensure that the digital media industry is represented on the board; and
 - (D) Rename the Hawaii television and film development special fund the Hawaii digital media industry development special fund, delete venture capital investments as a source of revenue to the fund, and establish a new funding source, which is the moneys deposited to meet the new option by which performing arts production investors may qualify for the high technology business investment tax credit (proposed as section 235-110.9(e)(2)(C), Hawaii Revised Statutes, in this measure, as amended).

Part II of the measure amends sections 235-17 and 235-110.9, Hawaii Revised Statutes (the motion picture and film production income tax credit and the high technology business investment tax credit, respectively). The motion picture and film production income tax credit is amended by:

- (1) Renaming it as the "performing arts productions income tax credit";
- (2) Replacing the existing four per cent tax credit with fifteen per cent as the amount to be used when qualified performing arts productions are conducted in a county with a population of over 700,000, and twenty per cent as the tax credit percentage amount to be used when qualified performing arts productions are conducted in a county with a population of 700,000 or less;
- (3) Establishing an unspecified maximum aggregate amount in tax credits claimable by all productions under the tax credit in a taxable year, and setting a cap on the total amount available under the tax credit in all years at \$60,000,000;
- (4) Making tax credit certificates issued by the Department of Business, Economic Development, and Tourism public documents; and
- (5) Adding definitions for the terms "below-the-line hires", "commercials", "performing arts products", "post production", "production", "qualified performing arts production costs", "qualified taxpayer", and "sound recording".

The high technology business investment tax credit is amended by:

- (1) Designating the Department of Business, Economic Development, and Tourism as the lead state agency in negotiating with performing arts production companies;

- (2) Requiring that, in order to qualify for the tax credit, a performing arts product must:
- (A) Acknowledge the support of the State in a manner negotiated between the production company and the Department of Business, Economic Development, and Tourism that includes, but is not limited to, a single line on-screen credit or acknowledgement in a printed program; and
 - (B) Create two full-time Hawaii-based jobs for at least one year that pay a salary commensurate to film or sound recording industry standards, as the case may be, for every \$1,000,000 in tax credits issued to the performing arts production company;
- (3) Allowing performing arts production companies that are unable to meet the employment requirements to qualify for the tax credit by meeting one of the following requirements:
- (A) At least twenty-five per cent of the performing arts product's post production shall be conducted in the State as measured by the total post production budget;
 - (B) At least twenty-five per cent of the performing arts product's digital effects shall be conducted in the State as measured by the project's total digital effects budget; or
 - (C) The performing arts production company shall deposit an unspecified amount in the Hawaii digital media industry development special fund as an alternative; and
- (4) Placing a sunset date of December 31, 2010, on the tax credit.

Your Committee has amended the measure by:

- (1) Amending the cap on the total amount available under the performing arts productions income tax credit in all years by deleting the \$60,000,000 amount and leaving it blank;
- (2) Changing the effective date from upon approval to July 1, 2050 to ensure further discussion; and
- (3) Making numerous technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2611, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2611, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Trimble). Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3241 (Majority) Ways and Means on H.B. No. 2961

The purpose of this measure is to clarify the current ethanol investment tax credit.

Your Committee finds that the present ethanol investment tax credit is based on the amount of an investment in a qualified ethanol facility. This measure bases the credit on the nameplate capacity of an ethanol facility to encourage the development of large capacity facilities to be built, rather than the development of expensive facilities that produce little ethanol. This measure further defines investment to ensure that the credit is for capital investment and not for operational expenses.

Your Committee has amended this measure by:

- (1) Making technical nonsubstantive changes for clarity and consistency; and
- (2) Changing the effective date to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2961, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2961, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 2 (Hemmings, Slom). Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3242 (Joint) Economic Development and Tourism on S.C.R. No. 68

The purpose of this measure is to request a feasibility study regarding the establishment of a pilot program with the Hawaii Chamber of Commerce of Northern California in promoting Hawaii and its products.

Testimony in support of the measure was received from the University of Hawaii (UH), the Hawaii Chamber of Commerce of Northern California, Myers Development Company, Hawaii Food Industry Association, and one individual. Offering comments on the measure were the Department of Business, Economic Development, and Tourism (DBEDT) and the Hawaii Tourism Authority (HTA).

Your Committees find that establishing cooperative ventures with mainland based organizations, such as the Hawaii Chamber of Commerce of Northern California, would be beneficial in promoting Hawaii, its products, and business opportunities in Hawaii. While tourism remains Hawaii's dominant industry, increasing competition from mainland and international locations has forced the State to develop new and innovative methods of marketing Hawaii, its products, and business opportunities in the State. A study to determine the feasibility and costs of establishing cooperative ventures with mainland organizations that are interested in promoting Hawaii, its products, and culture, will ensure that any future marketing strategy undertaken by the State is well-coordinated and targeted to the needs of a specific market. This will ensure that Hawaii gets the most return for its investment in the form of increased visitors and in attracting individuals interested in conducting business or making financial investments in Hawaii.

Your Committees have amended the measure by:

- (1) Amending the title of the measure to read:
"REQUESTING A STUDY OF THE FEASIBILITY OF ESTABLISHING COOPERATIVE VENTURES WITH ORGANIZATIONS ON THE U.S. MAINLAND IN PROMOTING HAWAII AND ITS PRODUCTS";
- (2) Expanding the scope to include other organizations in addition to the Hawaii Chamber of Commerce of Northern California;
- (3) Requesting that a feasibility study be conducted under the authority of DBEDT, with the assistance of HTA, the Hawaii Visitors and Convention Bureau, and UH, in order to determine the validity of establishing pilot programs with various mainland organizations, in addition to the Hawaii Chamber of Commerce of Northern California, designed to promote Hawaii, its products, and business opportunities in the State; and
- (4) Describing the specific areas that this feasibility study is to examine, including tourism, business development in Hawaii, and the promotion of UH sporting events.

As affirmed by the records of votes of the members of your Committees on Economic Development and Tourism that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 68, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 68, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 3 (Ige, Ihara, Kanno).

SCRep. 3243 Economic Development on Gov. Msg. No. 423

Recommending that the Senate advise and consent to the nomination of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 423 DORVIN D. LEIS, For a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

DORVIN D. LEIS founded his own small business, Dorvin D. Leis Co. in 1961. This business is a mechanical contracting company that specializes in the installation of plumbing, air conditioning, boilers, sheet metal, and fire sprinklers. In addition, Mr. Leis is also involved in a number of other businesses located in Hawaii and Texas dealing with real estate ventures and operations. Mr. Leis is also an active member in various community organizations and activities throughout Maui.

Mr. Leis was previously approved, pursuant to Governor's Message 290, for appointment to the Small Business Regulatory Review Board by this Committee for a term that expires on June 30, 2004. Your Committee finds Mr. Leis well qualified for appointment to the Small Business Regulatory Review Board for a new term that expires on June 30, 2008.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

SCRep. 3244 (Majority) Ways and Means on H.B. No. 267

The purpose of this measure is to transfer the Office of Elections, the Elections Appointment and Review Panel, and the Campaign Spending Commission from the Department of Accounting and General Services to the Department of the Attorney General for administrative purposes.

Your Committee finds that while the Office of Elections and the Campaign Spending Commission require more autonomy, the proper department for them to be placed in for administrative purposes remains the Department of Accounting and General Services. However, your Committee believes that the Office of Elections and the Campaign Spending Commission require the authority to communicate directly with the Legislature and Governor, and to make personnel decisions and supply, equipment, and furniture acquisitions decisions independent of the Comptroller.

Your Committee further finds that the Elections Appointment and Review Panel should be replaced by an Elections Commission appointed by members of the Legislature.

Accordingly, your Committee has amended this measure as follows:

- (1) By permitting the Office of Elections and the Campaign Spending Commission to communicate directly with the Governor and the Legislature;
- (2) By permitting the Office of Elections and Campaign Spending Commission to make personnel decisions and the purchasing of supplies, equipment, and furniture without the approval of the Comptroller;
- (3) By exempting the Office of Elections from collective bargaining under Chapter 89, Hawaii Revised Statutes;
- (4) By permitting the Office of Elections to hire its own private attorneys;
- (5) By repealing the Election Appointment and Review Panel and replacing it with an Elections Commission, the members of which are appointed by the Legislature;
- (6) By enabling the Elections Commission to communicate directly with the Governor and the Legislature;
- (7) By adding provisions that provide for the smooth transition between the Election Appointment and Review Panel and the Elections Commission; and
- (8) By making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 267, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 267, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Slom). Excused, 2 (Kanno, Sakamoto).

SCRep. 3245 Ways and Means on H.B. No. 1335

The purpose of this measure is to expand the current tuition waiver program within the University of Hawaii system.

Specifically, this measure:

- (1) Amends the Hawaii Revised Statutes to require tuition waivers for native Hawaiian and Hawaiian students; and
- (2) Requires the legislative reference bureau to update its 1991 report entitled "Tuition Waivers for Hawaiian Students in Higher Education" to address current legal concerns.

Your Committee finds that it is increasingly difficult for students of Hawaiian and part-Hawaiian ancestry to afford college tuition. Although the University of Hawaii has celebrated its ninety-second year of existence with a student body that has grown and changed dramatically, one consistent fact is that Hawaiian students continue to be underrepresented within this system. Only fourteen per cent of University of Hawaii system students are Hawaiian or part-Hawaiian; twenty-five per cent of them drop out within the first two years for reasons that include rising tuition. As compensation or benefits from the University of Hawaii in return for its use of ceded lands for facilities such as the marine research facilities, Haleakala Observatory, and Maunakea Science Reserve, your Committee believes that it is necessary to offer tuition waivers to qualified students within the University of Hawaii who are of Hawaiian or part-Hawaiian ancestry and who could not otherwise afford to attend any college within the University of Hawaii system.

Your Committee has amended this measure by:

- (1) Clarifying the parameters of the study required by part II of the bill, including looking at establishing criteria based on financial need; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1335, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1335, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Sakamoto).

SCRep. 3246 (Majority) Ways and Means on H.B. No. 1924

The purpose of this measure is to ensure that tenured teachers who have satisfactory performance evaluations receive the appropriate salary increase in the fiscal year that the increase is effected.

Your Committee finds that, in a time when there is a teacher shortage, Hawaii is one of the few school districts in the United States that does not provide incremental movement for its teachers. Your Committee believes that annual incremental step movements are critical to keep Hawaii's teachers' salaries competitive and will serve as a vital recruiting and retention tool for Hawaii's teachers.

Your Committee amended this measure by:

- (1) Deleting the reference to April 16 as the negotiations impasse date, because the impasse date was changed to February 1 under section 89-11 (as amended by Act 232, Session Laws of Hawaii 2002);
- (2) Changing the effective date from July 1, 2005 to July 1, 2020 to facilitate continuing discussion on the measure; and
- (3) Making a technical nonsubstantive change for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1924, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1924, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, 3 (Hemmings, Slom, Trimble). Excused, 5 (Aduja, English, Inouye, Kanno, Sakamoto).

SCRep. 3247 Ways and Means on H.B. No. 2286

The purpose of this measure is to provide funding for the administration of the Hawaii Commission for National and Community Service.

Specifically, the measure appropriates \$1 for state matching funds.

The mission of the Hawaii Commission for National and Community Service is to:

- (1) Encourage community service and volunteer participation as a method of resolving state and community problems;
- (2) Promote and support involvement in volunteer government and private sector programs statewide;
- (3) Develop a comprehensive long-term plan for community service programs in the State; and
- (4) Serve as the State liaison to national and state organizations with similar missions.

Your Committee finds that the Hawaii Commission for National and Community Service currently administers six community volunteer programs on the islands of Oahu, Maui, Molokai, Kauai, and Hawaii. These volunteer programs: provide support and education on domestic abuse prevention; serve our senior citizens with support that includes the Meals on Wheels program for the homebound; and improve and preserve our natural environment, focusing on endangered species restoration, invasive species removal, native forest recovery, coastal clean up, aquatic resource management, and trail building and management. The bill's matching fund appropriation not only will assist in the administration of the Hawaii Commission for National and Community Service, but more significantly, will also allow the State to receive an additional \$1,000,000 in federal funding for program and training funds.

Your Committee has amended the bill by changing the amount appropriated from \$1 to \$142,000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2286, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2286, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Aduja, English, Inouye, Kanno).

SCRep. 3248 (Majority) Ways and Means on H.B. No. 2645

The purpose of this measure is to increase the number of qualified substitute teachers available to be hired by the Department of Education.

Specifically, the bill establishes a ten-year exemption from prerequisite substitute course work for any retired public school teacher who holds a valid teaching license. Under current law, all new substitute teacher applicants must complete a thirty-hour substitute teacher course that includes material relating to Department of Education rules, policies, and current educational trends for all grades. The bill provides that retired, licensed public school teachers are exempt from any prerequisite course work required of other substitute teachers for ten years from the date of their retirement.

Your Committee finds that recently retired teachers can be a valuable resource as much-needed substitute teachers because they already have the qualifications and practical experience necessary to teach. Thus, further coursework should not be required. This bill will encourage retired Department of Education teachers to return to public schools as substitute teachers and will improve the chronic shortage of qualified substitute teachers available to the Department of Education.

Prior to issuing licenses to teachers, teachers held a valid teaching certificate only. Furthermore, a teaching license is currently valid for five years. Accordingly, your Committee amended this measure to clarify that the ten-year prerequisite waiver applies to retired public school teachers who held a valid teaching certificate or license at the date of their retirement.

Your Committee also made technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2645, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2645, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, 1 (Trimble). Excused, 7 (Aduja, English, Espero, Kawamoto, Kim, Sakamoto, Tsutsui).

SCRep. 3249 (Majority) Ways and Means on H.B. No. 403

The purpose of this measure is to change the retirement benefit for members who first earned credited service as a legislative officer after June 30, 2003.

Specifically, this measure changes the retirement benefit from three and one half per cent to two per cent of the member's average final compensation for each year of credited service as a legislative officer. It also applies an age reduction penalty for those officers retiring before age fifty-five.

Your Committee has amended this measure by deleting its contents and replacing it with a new measure to grant full retirement benefits to deputy sheriffs and corrections officers after twenty-five years of credited service, unreduced for age.

Specifically, this measure, as amended, will allow contributory and noncontributory plan deputy sheriffs and noncontributory plan corrections officers to retire with the "25 and out" early retirement benefit, regardless of age.

Your Committee finds that the amended measure treats deputy sheriffs and corrections officers on par with other law enforcement and safety officers, who are presently allowed to retire after twenty-five years of credited service, regardless of age.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 403, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 403, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Trimble). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3250 Ways and Means on H.B. No. 1374

The purpose of this measure is to entitle a plaintiff that successfully proves a case of workers' compensation insurance fraud to recoupment of payments for medical services and reimbursement of attorney's fees and costs.

This measure also entitles a defendant that successfully defends a case of workers' compensation insurance fraud to reimbursement of attorney's fees and costs.

In addition, this measure authorizes the insurance fraud unit of the Insurance Division to investigate and prosecute workers' compensation fraud relating to self-insured employers.

Your Committee finds that present law does not ensure that a successful plaintiff in a workers' compensation insurance fraud case is entitled to restitution of benefits. Rather, the workers' compensation law specifies merely that restitution of benefits to the source from which compensation was received is possible in lieu of criminal penalties being levied against the defrauding party. Accordingly, this measure is necessary to clarify that the successful plaintiff in a fraud case is entitled to restitution from the defrauding party. Furthermore, parity requires that a similar remedy be accorded to a successful defendant who is not found to have committed fraud.

Your Committee also finds that, under present law, the duties of the insurance fraud investigations unit of the Insurance Division is limited to motor vehicle insurance fraud. Your Committee finds that expanding the duties of the unit to include workers' compensation fraud is appropriate in light of the magnitude of the problem.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style. Your Committee has also amended this measure by changing the effective date from June 30, 2009 to June 30, 9002, for the purposes of continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1374, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1374, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 7 (Aduja, English, Espero, Kawamoto, Kim, Sakamoto, Tsutsui).

SCRep. 3251 (Majority) Ways and Means on H.B. No. 1774

The purpose of this measure is to grant an unemployed individual the full weekly benefit amount without any offset for wages paid in a week.

Furthermore, this bill authorizes use of the unemployment compensation trust fund, supplemented if possible by federal Reed Act funds, to pay for the unreduced benefits.

Your Committee finds that under current law, weekly unemployment benefits are reduced by that part of the wages payable to the individual with respect to that week that is in excess of \$50. However, your Committee finds that the offset creates a disincentive for an individual to secure part-time work while continuing to seek full-time work. Removing this disincentive will encourage individuals to work part-time, which in turn will significantly improve their chances of returning to some form of full-time employment.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style. Your Committee has also amended this measure by changing the effective date from July 1, 2004 to July 1, 2040.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1774, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1774, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3252 (Majority) Ways and Means on H.B. No. 1778

The purpose of this measure is to extend wage benefits to all laborers and mechanics working on government construction projects.

This measure would further authorize an employer, with the consent of an employee, to furnish an electronic record of the employee's total gross compensation, the amount and purpose of any deduction, total net compensation, date of payment, and pay period covered, in lieu of a printed, typewritten, or handwritten record.

Your Committee finds that, under present law, all laborers and mechanics working onsite at a government construction project are entitled to prevailing wages, as determined by the Director of Labor and Industrial Relations. This measure would extend that wage benefit to the assistants, helpers, tenders, and apprentices of those laborers and mechanics, whether working on or off the job site.

Your Committee has amended this measure by changing its effective date to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1778, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1778, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3253 (Majority) Ways and Means on H.B. No. 1780

The purpose of this measure is to limit paid leave for government employees that attend parent-teacher conferences to two-hours.

The bill applies to parents of children in kindergarten through twelfth grade and proposes to include all students, regardless of age, within the scope of the law.

Presently, the law provides that employees are eligible for "at least" two hours of paid leave to attend parent-teacher conferences. Read literally, the phrase "at least" may be construed to mean unlimited time-off. This was never the intent of the Legislature. To clarify this provision, and to allow adequate time for the actual conference and travel-time, this bill provides for "up to" two hours for parents to attend conferences.

The bill also broadens the scope of the law to include parents of students who are not minors. Your Committee finds that this change will correct an inadvertent flaw in the law which prevented parents of children eighteen years or older from receiving paid leave to attend parent-teacher conferences.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1780, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3254 (Majority) Ways and Means on H.B. No. 1786

The purpose of this measure is to allow long-term public employees who are exempt from the civil service system to apply for transfers and promotional examinations within the civil service system.

Specifically, this measure allows employees who have been in exempt positions for eight or more consecutive years to apply for intra-departmental and inter-departmental transfers and intra-departmental and inter-departmental promotional examinations for which they otherwise meet the minimum qualifications.

Furthermore, this bill limits the total number of exempt positions to an unspecified percentage of the total number of civil service positions. This bill also requires the Department of Human Resources Development to make an annual report to the Legislature on the number and percentage of civil service exempt employees in state government. This bill also requires the Legislative Reference Bureau to compile a list of all statutorily created positions exempted from the civil service.

Your Committee finds that this measure will expedite the civil service recruitment process and broaden the applicant pool for civil service vacancies. Public employers will have the opportunity to select employees from a larger number of qualified candidates that includes qualified civil service employees and qualified exempt employees.

Your Committee has amended this measure by changing the effective date to July 1, 2222, and by providing that the measure be repealed on July 1, 2224.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1786, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1786, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3255 (Majority) Ways and Means on H.B. No. 1792

The purpose of this measure is to conform statutory provisions to Public Law 107-147, the Temporary Extended Unemployment Compensation Act of 2002, by eliminating the time limitations and restrictions on the use of Reed Act funds received in 2002.

This measure also earmarks federal unemployment compensation funds appropriated under the General Appropriations Act of 2003, for unemployment compensation and to supplant general fund appropriations for general administration.

Your Committee finds that Public Law 107-147, the Temporary Extended Compensation Act of 2002, provided for the expanded utilization of Reed Act funds for the payment of unemployment benefits or for the administration of state unemployment compensation law and public employment offices. Therefore, in addition to federal administrative funds provided to finance delivery of up to twenty-six weeks of temporary extended unemployment insurance benefits under the Temporary Extended Compensation Act of 2002, a state may also use transferred Reed Act funds for employment security administration purposes.

Your Committee determines that changes in the current statutory scheme are necessary to allow for the use of Reed Act funds to the fullest extent provided under federal law.

Your Committee has left the effective date as July 1, 2010, in order to promote the continued discussion on the amounts available and to determine whether the use of federal funds by the State can be expended in other areas of general administration.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1792, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 3 (Hemmings, Slom, Trimble). Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3256 (Majority) Ways and Means on H.B. No. 2025

The purpose of this measure is to prohibit employers from paying disparate wages for reasons based solely on gender to employees that perform equal work.

The measure also provides for exceptions from this prohibition in circumstances where there exists:

- (1) A seniority system;
- (2) A merit system;
- (3) A system that measures earnings by quantity or quality of production;
- (4) A bona fide occupational qualification; or
- (5) A differential based on any other factor other than sex.

The measure further establishes a four-year pay equity task force to review relevant information regarding gender-based pay inequities and make recommendations to the Legislature annually to rectify any problems discovered.

Your Committee finds that under existing law, an employer is prohibited from discriminating against an employee in compensation or in the terms, conditions, or privileges of employment on the basis of the employee's gender. In addition, further protection against

the same and related types of discrimination based upon sex is provided for under Title VII of the Civil Rights Act of 1964 and the Equal Pay Act of 1963, 29 U.S.C. §206(d). Despite the existence of these prohibitions, currently in Hawaii wage disparity continues to exist where a woman earns only eighty-four cents for each dollar earned by a man. The effect of such a wage disparity: negatively impacts the financial security, health, and well-being of women and families; contributes to the existence of depressed wages, reductions in standards of living, and increases in poverty rates; prevents the maximum utilization of available labor resources; and increases the number of labor disputes.

Your Committee has amended the measure by making technical amendments to clarify that differentials in pay for equal work may be allowed in cases where other factors that may be authorized under law, but not explicitly stated in the proposed new section, are acceptable reasons for paying a person a different wage for the equal work. Your Committee has also made several technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that the passage of the measure signifies the State's recognition that discrimination on the basis of gender with regard to the payment of wages continues to exist within the State. Your Committee also believes that the establishment of a task force to review information relevant to gender-based pay inequities and make recommendations to the Legislature for specific actions to correct such inequities will also reaffirm and solidify the State's commitment to ensuring that such discriminatory practices are finally eliminated.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2025, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2025, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3257 (Majority) Ways and Means on H.B. No. 2215

The purpose of this measure is to allow an employee who receives a special retirement incentive benefit to be reemployed by the State, without forfeiture of benefits, on a contract-for-service basis for a period not to exceed one year.

Your Committee finds that Part V of Act 253, Session Laws of Hawaii 2000, allowed certain employees to qualify for a special retirement incentive benefit of an additional two years of service credit that would be applied to their pensions. If the employee accepted the special retirement benefit, the terms of acceptance precluded the employee from being reemployed by the State, unless the employee forfeited all benefits derived from the special retirement incentive benefit prior to commencement of reemployment. Your Committee further finds that several departments and agencies within the State are experiencing a shortage of qualified personnel, due in part to the exodus of its current workforce. Your Committee determines that retirees possess invaluable knowledge, skills, and experience that should be utilized when possible. Therefore, your Committee finds that it is necessary and proper to allow these retired individuals to return to service on a contract basis, with certain limitations, in order to address current staffing issues and to provide for efficient and effective government operation.

Your Committee has amended the measure by:

- (1) Reformatting the proposed new language added to section 88-98, Hawaii Revised Statutes, contained in section 1 of the measure to clarify that the proposed new language only pertains to paragraph (3) of section 88-98, Hawaii Revised Statutes; and
- (2) Making a technical, nonsubstantive amendment to section 5 for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2215, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2215, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3258 (Majority) Ways and Means on H.B. No. 680

The purpose of this measure is to ensure that the top officials of our state government understand the State's ethics and lobbying laws in order to carry out their official duties in an ethical manner.

Specifically, this measure requires legislators, elected members of the Board of Education, the Governor, the Lieutenant Governor, executive department heads and deputies, and trustees of the Office of Hawaiian Affairs to attend ethics training.

Upon further consideration, your Committee has amended this measure by:

- (1) Deleting section 2 of the bill, amending section 84-2, Hawaii Revised Statutes, relating to applicability as unnecessary because the applicability of the ethics training requirement is already specified in the new section 84-A;
- (2) Renumbering the remaining sections of the measure accordingly;
- (3) Making several technical nonsubstantive amendments for the purpose of clarity; and

- (4) Changing the effective date to January 1, 2050, for the purpose of facilitating further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 680, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 680, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 2 (Hemmings, Slom). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3259 Ways and Means on H.B. No. 1590

The purpose of this measure is to provide greater assistance to survivors of Filipino American veterans.

Specifically, this bill requires the Office of Veterans Services, at the request of a deceased World War II Filipino American veteran's survivor, or an interested person, to pay directly to a licensed mortuary or crematory the costs of funeral and burial services and the cost of transporting the remains to the Philippines.

Your Committee finds that a World War II Filipino American veteran who is at time of death a United States citizen, a resident of Hawaii, and who served honorably in the military, should be entitled to funeral and burial services paid by the State. These Filipinos are the long neglected "heroes" of the war. They put themselves in harm's way to fight for America when many were not even United States citizens. This measure represents a posthumous tribute to them.

Although your Committee supports the intent of the measure, your Committee finds that a substantially similar measure was enacted into law last year (Act 101, Session Laws of Hawaii 2003) and is codified as section 363-12, Hawaii Revised Statutes. The only substantive statutory difference between this measure and existing law is that this measure proposes a higher monetary disbursement ceiling (\$3,000) than what is currently allowed under existing law (\$2,500). This measure, if enacted as received by your Committee, with the exception of the higher monetary disbursement ceiling, would duplicate existing law.

In light of this finding, your Committee has amended the measure by:

- (1) Deleting the findings and purpose section and the section of the measure that proposes to add a new section to Chapter 363, Hawaii Revised Statutes;
- (2) Adding a section that amends section 363-12(b), Hawaii Revised Statutes, by raising the disbursement ceiling for funerary or crematory services from \$2,500 to \$3,000 for each deceased veteran;
- (3) Amending the appropriation section to only appropriate funds for the 2004-2005 fiscal year; and
- (4) Amending the effective date of the measure from July 1, 2003, to July 1, 2004.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1590, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1590, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3260 Ways and Means on H.B. No. 1904

The purpose of this measure is to increase the income tax deduction provided to national guard members and other reservists.

Your Committee finds that the volatile and unstable nature of world politics has changed our sense of security forever. The war in Iraq and United States troop involvement in Afghanistan and other parts of the world has changed our lives, especially those that serve in the national guard and reserves. Tens of thousands of reservists and national guard troops will be deployed, including thousands of national guard members and reservists based in Hawaii.

For many in the national guard and reserves, active duty will mean a significant loss of income. Although some financial institutions and lenders are willing to craft financial arrangements that take into account the reductions in income, the reality remains that rent, mortgages, and a host of other expenses must still be met.

To send national guard members and reservists into harm's way while expecting them to suffer a sharp drop in pay is unduly onerous and highly unfair. This bill would provide a modicum of assistance by increasing the income tax deduction provided to national guard members and reservists to hopefully alleviate some of the burden on our citizen-soldiers who serve and protect our country and our State against all enemies.

Your Committee has amended the bill by providing a blank tax deduction amount to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1904, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1904, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Kanno, Kim, Sakamoto, Slom).

SCRep. 3261 Ways and Means on H.B. No. 1908

The purpose of this measure is to set aside federal impact aid moneys for the establishment of a military liaison position within the Department of Education.

Specifically, the military liaison shall be exempt from the civil service law (chapter 76, Hawaii Revised Statutes), but eligible to receive the benefits of any state or federal employee benefit program that is generally applicable to officers and employees of the State. In addition, this measure funds the Joint Venture Education Forum to facilitate interaction between the military community and the Department of Education.

Your Committee finds that a military liaison in the Department of Education is needed to act as the primary facilitator of initiatives such as the 3R's and joint education forums. Currently, many federal resources are funneled only to schools that have a relationship with the military command, who request and manage such funds. A liaison would act as the conduit of information to and from the department and military families, work with the military leadership to develop ideas to assist military families and schools with military dependents, and link military sponsored activities and resources with those schools.

Your Committee has amended this measure by:

- (1) Changing the amounts set aside in federal impact aid from \$1 to blank amounts; and
- (2) Changing the effective date from upon approval to July 1, 2010;

To facilitate continued discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1908, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1908, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3262 Ways and Means on H.B. No. 2250

The purpose of this measure is to promote public safety by clarifying and strengthening the law pertaining to sentencing for the offense of habitually operating a vehicle under the influence of an intoxicant (section 291E-61.5, Hawaii Revised Statutes).

In 2003, the Legislature enacted Act 71, Session Laws of Hawaii 2003, to assist law enforcement in getting habitually intoxicated drivers off Hawaii's roads. This legislation created a separate offense for habitually operating a vehicle under the influence of an intoxicant, an offense that was formerly subsumed within the existing driving under the influence statute. However, other sections of the statute were not conformed to take this new offense into account. This measure will make these conforming amendments.

This measure also makes the penalties under section 291E-61.5, Hawaii Revised Statutes, consistent with those imposed for the offense of operating a vehicle while under the influence of an intoxicant under section 291E-61, Hawaii Revised Statutes. It is the intent of this measure to provide help to the offender to avoid another driving incident involving intoxicants and possible catastrophic motor vehicle accident because the offender did not get counseling to address the problem.

More particularly, this measure would:

- (1) Require habitual DUI offenders to:
 - (a) Pay a driver education assessment;
 - (b) Be assessed for substance abuse or dependence; and
 - (c) Obtain treatment, if necessary, at the offender's own expense;
- (2) Prohibit the issuance of a new driver's license to habitual DUI offenders until the license revocation period expires;
- (3) Allow the court to order a person sentenced under section 291E-61.5, Hawaii Revised Statutes, to reimburse the county for the costs of blood or urine tests; and
- (4) Add conforming references to the section concerning habitual DUI offenders, to the use of intoxicants law.

Your Committee has amended this bill by:

- (1) Conforming the language at page 7, line 9, to the printed version of section 291E-4(a)(3); and

- (2) Adding conforming references to the habitual DUI offense on page 24 at lines 16 and 19.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2250, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2250, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Kanno, Kim, Sakamoto, Slom).

SCRep. 3263 Ways and Means on H.B. No. 2291

The purpose of this measure is to improve the enforcement of state highway safety laws.

This measure allocates up to \$9,000,000 annually from the highway fund established pursuant to section 249-18, Hawaii Revised Statutes, for the police department in any county with a population in excess of 500,000 to establish and operate a highway patrol division.

Your Committee finds that establishing a dedicated traffic unit within the county police department in the form of a highway patrol, such as those used in mainland jurisdictions, will enhance traffic enforcement. Although county police departments currently have road patrol units, the highway patrol will elevate the priority placed on traffic enforcement.

Your Committee has amended this bill by removing the amount of the appropriation, extending the effective date until July 1, 2020, to facilitate further discussion, and by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2291, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2291, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3264 (Majority) Ways and Means on H.B. No. 2523

The purpose of this measure is to ensure state laws relating to the passenger facility charges are consistent with federal law.

More specifically, this measure changes the passenger facility charge revenue fund to a special fund, provides that passenger facility charges are exempt from transfers to pay for central service expenses and from deposits into the airport revenue fund, and makes conforming amendments.

Your Committee finds that the passenger facility charge is a fee imposed on departing domestic and international passengers, the proceeds of which are to be used for airport capital improvement projects approved by the Legislature. Federal law limits the use of the proceeds to airport capital improvement projects only and payment of central service expenses would violate federal law. This measure ensures that the use of these proceeds is in compliance with federal law.

Your Committee has amended this measure by changing the effective date to facilitate continued discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2523, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2523, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3265 Ways and Means on H.B. No. 2662

The purpose of this measure is to assist persons threatened by military base closures or reductions in capacity.

This measure would establish a military community infrastructure development revolving loan fund to assist persons in military communities to develop infrastructure to minimize the possibility of or mitigate the adverse effects on a military community of the closure or reduction in capacity of a military installation.

Your Committee finds that the purpose of this measure, to assist persons threatened by military base closures with a loan program, may be met by utilizing the Hawaii capital loan revolving fund that is scheduled to be repealed on July 1, 2004.

Accordingly, your Committee has amended this measure by replacing it with the provisions of S.B. No. 2867. This latter measure provides for the continuation of the Hawaii capital loan revolving fund that was to be repealed pursuant to Act 178, Session Laws of Hawaii 2003. Your Committee has further amended this measure by:

- (1) Authorizing the Department of Business, Economic Development, and Tourism to make loans from the Hawaii capital loan revolving fund to assist persons located in communities near military installations to develop infrastructure to minimize the

possibility of or assist in the mitigation of the adverse effects of the closure or reduction in capacity of a military installation;
and

- (2) Changing the effective date to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2662, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2662, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3266 (Majority) Ways and Means on H.B. No. 2703

The purpose of this measure is to allow the counties to assess, impose, levy, and collect impact fees for state highway improvements.

This measure further establishes a highway development special fund, to be administered by the state Department of Transportation, into which the counties shall transfer the impact fees collected.

Your Committee finds that under present law, the counties are allowed to assess, impose, levy, and collect impact fees from developments that impact public infrastructure and facilities. This measure will allow the counties to assess, impose, levy, and collect impact fees from developments that will have an impact on the state highway system.

Your Committee has amended this measure:

- (1) By requiring the Department of Transportation to adopt a needs assessment study to identify the kinds of state highway facilities for which the fees shall be imposed;
- (2) By making the new part to chapter 264, Hawaii Revised Statutes, being added by this measure, effective retroactively to October 1, 2002; and
- (3) By making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2703, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2703, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3267 (Majority) Ways and Means on H.B. No. 2883

The purpose of this measure is to protect the health, safety, and welfare of the public by funding and implementing an enhanced wireless 911 system designed to route a wireless 911 call to a public safety answering point along with the wireless caller's identification and location.

Among other things, this bill establishes:

- (1) A monthly surcharge on mobile phone connections;
- (2) A special fund to receive the proceeds of the surcharge;
- (3) A board to oversee collection of the surcharge proceeds and reimbursement from the special fund of the cost of implementing wireless enhanced 911 service; and
- (4) A requirement that the board report annually to the Legislature.

Your Committee has amended this measure by deleting its contents and replacing them with the provisions of S.B. No. 3189, S.D. 2. The measure, as amended, provides for enhanced wireless 911 services, but with the following differences:

- (1) Deleting the provision in section -3 allowing the Department of Accounting and General Services to receive an administrative fee of five per cent of the deposits into the fund because it may already recover administrative costs pursuant to section 36-30, Hawaii Revised Statutes; and
- (2) Moving the language authorizing a wireless provider to recover Phase I and II costs from the surcharge fund from section -4 dealing with collection of the surcharge to section -5 dealing with recovery from the fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2883, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2883, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Hemmings, Slom). Excused, 2 (Kanno, Sakamoto).

SCRep. 3268 (Majority) Ways and Means on H.B. No. 2956

The purpose of this measure is to promote the establishment of a fixed guideway mass transit system in counties with a population of over five hundred thousand by establishing a funding mechanism for its planning.

The measure accomplishes this by:

- (1) Establishing a mass transit planning account as a special account within the general fund;
- (2) Requiring that a portion of the tax revenues from the fuel license tax be deposited into the account, not to exceed a total amount of \$3,600,000;
- (3) Requiring the Director of Finance, by January 1, 2007, to transfer \$600,000 from the account to a separate account of the highway fund for each county having a population greater than five hundred thousand;
- (4) Requiring that the transferred moneys are to be used by the county to develop and finalize a mass transit work plan, including a fixed guideway mass transit system; and
- (5) Requiring, upon specified county approval procedures, the Director of Finance to transfer the remaining \$3,000,000 into the separate account of the county's highway fund for the county to prepare an environmental impact statement and a financial plan within two years of the receipt of the moneys by the county.

The measure also provides that if a county fails to accomplish these procedures, then the county must reimburse the State for the amounts transferred.

This measure further requires that of the sixteen cents state sales tax per gallon of liquid fuel and of the fifteen cents state sales tax per gallon of diesel fuel, an unspecified amount is required to be paid into the mass transit planning account, to be used for the same purposes.

Your Committee finds that mass transit is a critical element to the alleviation of traffic congestion and is necessary to the full development of West Oahu. Your Committee is cognizant of past failed attempts to fund a mass transit system and believes that the impetus to get a mass transit system in place has never been stronger than it is right now. However, the opportunity to develop a mass transit system with federal funds is fleeting.

This measure provides an alternative to increasing the excise tax to pay for mass transit. This measure imposes no new taxes, but instead reallocates existing tax revenues derived from fuel license taxes collected from distributors.

Your Committee has amended this measure by changing the effective date from July 1, 2004, to July 1, 2030, to promote further discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2956, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2956, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Kanno, Sakamoto).

SCRep. 3269 (Majority) Ways and Means on H.B. No. 1710

The purpose of this measure is to establish a student scholarship and assistance special fund to be administered by the University of Hawaii.

Specifically, the special fund will be used to provide financial assistance, including scholarships, to qualified University of Hawaii system students and will be funded by state, federal, institutional, and private funds. The special fund is not intended to provide loans.

Additionally, this measure transfers \$20,000,000 of general funds to the special fund, and appropriates the same amount out of the special fund for the purposes of the fund.

Furthermore, this measure repeals the requirement pertaining to the University of Hawaii tuition and fees special fund that the report must address tuition waivers and financial assistance granted to financial needy students from underrepresented ethnic groups.

Your Committee finds that the University of Hawaii presently provides most of its financial assistance to students in the form of tuition waivers but is considering switching to scholarships as the main form of assistance, in conformity with the common practice nationwide among other universities. Your Committee also finds that financial assistance through scholarships will enable families to obtain tax benefits that they otherwise would not be able to obtain through tuition waivers. Accordingly, your Committee finds that this measure will assist the University of Hawaii in restructuring its means of providing financial assistance to students.

Your Committee has amended this measure by changing the scholarship and assistance special fund's initial source of funding from the general fund to the University of Hawaii tuition and fees special fund and by changing the appropriation figure from \$20,000,000 to a blank amount. Your Committee has also amended this measure by changing the effective date to July 1, 2040 for the purposes of continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1710, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1710, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, 2 (Hemmings, Slom). Excused, 7 (Aduja, English, Espero, Kawamoto, Kim, Sakamoto, Tsutsui).

SCRep. 3270 Ways and Means on H.B. No. 2814

The purpose of this measure is to implement the Auditor's recommendations to improve the quality of life for the patients who have remained at the Kalaupapa settlement.

Specifically, this measure requires the Department of Health to submit an annual report to the Legislature regarding the following:

- (1) The Department's provision of medical and basic living needs of the patients;
- (2) The Department's progress toward defining and addressing the nonmedical needs of patients;
- (3) The Department's progress toward promoting a positive living environment;
- (4) The Department's management of state resources, including benefits given to employees that are not statutorily defined;
- (5) The Department's progress toward establishing written policies and procedures for the Kalaupapa store;
- (6) The Department's progress toward establishing and maintaining a complaint file and adequately addressing complaints;
- (7) The performance of the administrator, including compliance with job duties;
- (8) The Department's progress toward adequate accountability of state property; and
- (9) Details and justification of approved employee air travel requests and trail pay.

Your Committee finds that, many years ago, residents of this State who contracted Hansen's Disease were taken away from family and friends and forced to live in exile in Kalawao County at the Kalaupapa Settlement. Many of the patients who are still alive today were in their teens or early twenties when they were diagnosed with Hansen's Disease. Although today these patients are free to come and go as they please, they have chosen to live the remainder of their lives in Kalaupapa.

In 2003, the Legislature requested the Auditor to conduct an audit due to patients asserting numerous allegations of excessive or inappropriate expenditures and preferential treatment toward the workers, rather than patients. The results of the audit found that these allegations were true.

Your Committee is recommending passage of this bill to address some of the wrongdoings, but more so, to reaffirm the State's commitment and promise to the patients that they may live the remainder of their lives peacefully and comfortably in Kalaupapa.

It is the intent of your Committee that the remaining patients receive the care and comfort they need and that the focus of the Department of Health be on remembering that the patients come first.

Once the last patient leaves the Kalaupapa Settlement, Kalawao County will become a national park for the world to remember the many sacrifices and hardships that the patients made so that others could live normal lives.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2814, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3271 Ways and Means on H.B. No. 2716

The purpose of this measure is to conduct an appraisal of private lands in the South Kona Wilderness Area for a possible purchase or land exchange by the State.

The bill also provides a blank appropriation for the appraisal and requires the Department of Land and Natural Resources to report back to the Legislature prior to the regular session of 2005 before any formal action is taken with respect to the Wilderness Area.

The South Kona Wilderness Area was established under Act 59, Session Laws of Hawaii 2003. The Area is of great cultural and historical significance because of its extensive archaeological sites, including ancient homesites, a holua slide, a heiau, and burial caves. According to Act 59, plans to preserve the Area will:

- (1) Protect native Hawaiian plants and animals;
- (2) Provide a wilderness area with minimal man-made structures;
- (3) Permit limited access for recreational purposes; and
- (4) Prevent additional development in the Area.

This bill is the first step in acquiring private land in the Area to fulfill the objectives of Act 59.

Your Committee has amended the bill by changing the effective date to February 29, 2010 to promote further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2716, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2716, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 7 (Aduja, English, Espero, Kawamoto, Kim, Sakamoto, Tsutsui).

SCRep. 3272 (Majority) Ways and Means on H.B. No. 2739

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to finance the construction of wet lab space and a biotechnology incubator.

Your Committee finds that Hawaii's high technology industry is lacking research space, particularly a wet lab and a biotechnology incubator. Research space is needed to facilitate the development of the new bioscience research park at Kakaako. A wet lab and biotech incubator is not an aquarium or any type of facility or structure that is remotely similar to tourism related endeavors. Rather, they are technological facilities that will assist small local companies by allowing them to nurture and improve their technological discoveries. The new facilities will also attract new biotechnology firms and research opportunities to the State and ultimately allow Hawaii to become more competitive in the global biotechnology industry.

Your Committee has amended the bill by:

- (1) Identifying Townsend Capital, LLC, as the prospective recipient of the special purpose revenue bond proceeds; and
- (2) Making technical changes for purposes of clarity and style and to comport with the requirements of special purpose revenue bond legislation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2739, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2739, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Trimble). Excused, 4 (Aduja, English, Kim, Tsutsui).

SCRep. 3273 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 189

The purpose of this measure is to authorize nonreligious hospitals to provide emergency contraception to sexual assault victims.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawaii, American Friends Service Committee Gay Liberation Program, the American College of Obstetricians and Gynecologists, Community Alliance on Prisons, the First Unitarian Church, Hawai'i Citizens for the Separation of State and Church, Hawaii Coalition Against Sexual Assault, Coalition of Healthy Mothers, Healthy Babies, Parents and Children Together, Planned Parenthood of Hawaii, Roman Catholic Church in the State of Hawaii, the Sex Abuse Treatment Center, St. Francis Medical Center, and six individuals. Testimony in opposition was submitted by the Department of Health, American Center for Law and Justice of Hawaii, Hawaii Right to Life, Hawaii Women Lawyers, Pro-family Hawaii, and twelve individuals.

Your Committee finds that standards of emergency care, established by the American Medical Association, require that female victims of sexual assault be counseled about the risk of pregnancy and offered emergency contraception. One statewide study found inconsistent treatment protocols of sex assault patients in Hawaii's emergency rooms and a lack of written policies.

According to a 1997 Kaiser Family Foundation report, most women of reproductive age do not know enough about emergency contraception to ask for it--only eleven per cent have heard of it, are aware of its availability, and know that treatment must be initiated within seventy-two hours after sexual intercourse.

Your Committee noted that most of the testimony in support and some of the testimony in opposition requested that religious hospitals be required to provide emergency contraceptives. Your Committee also noted that in some parts of Hawaii, such as the Leeward coast of Oahu, the only hospital available is a Catholic hospital. Thus, by permitting a religious hospital exemption, many sex assault victims will not have readily accessible emergency contraceptives. Your Committee finds that there is a compelling state interest to protect these women in such a difficult time.

Your Committee has amended this measure by replacing its contents with SB2223, S.D.1. Essentially, this measure:

- (1) Does not provide a religious hospital exception and removes all references to religious hospitals;
- (2) Provides an exception to the dispensing of emergency contraceptives unless it is medically contra-indicated, as the survivor is pregnant;
- (3) Does not provide for a hearing process for noncompliance;
- (4) Adds a fine of \$1,000 for noncompliance; and
- (5) Requires that all state funds to that hospital terminate after two consecutive violations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 189, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 189, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 2 (Kawamoto, Hogue). Excused, 1 (English).

SCRep. 3274 Judiciary and Hawaiian Affairs on H.B. No. 2786

The purpose of this measure is to establish the right for a beneficiary or policyholder to collect attorney's fees and costs if an arbitrator, arbitration panel, or the commissioner enforces coverage under an insurance policy.

Prior to holding a public hearing on this measure, a proposed S.D. 2 was prepared and made available for public review that added a Part II to this measure. The contents of the new part extend the effective date of the Uniform Arbitration Act from June 30, 2004 to June 30, 2005.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, Insurance Division; Hawaii Commission on Uniform State Laws; Consumer Lawyers of Hawaii; and the Ad Hoc RUAA Group. Comments were submitted by State Farm.

Your Committee finds that arbitration offers a more efficient and less costly alternative to litigation to resolve liability disputes between policyholders and their insurers, and should be encouraged. Your Committee further finds that current law contains a disincentive to resolve disputes through arbitration because policyholders are entitled to an award of attorney's fees and costs if they succeed in obtaining benefits in a lawsuit, but not if the same determination is made in arbitration. This measure corrects this inequity by allowing the policyholder an award of attorney's fees and costs in arbitration actions.

Your Committee also finds that delaying the effective date of the Uniform Arbitration Act will allow for thoughtful and thorough discussion of the many procedures and provisions included in the Act.

Your Committee adopted the amendments in the proposed S.D. 2, and made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2786, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2786, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 3275 Judiciary and Hawaiian Affairs on H.B. No. 2792

The purpose of this measure is to require owners of private roads to maintain private roads pursuant to an agreement or if there is no agreement, to divide the responsibility of the road in equal shares. This measure also allows county ordinances dealing with the maintenance of private roads to supersede this measure.

Testimony in support of this measure was submitted by the Hawaii Association of Realtors and Seattle Mortgage. Comments were also submitted by the Hawaii Bankers Association.

Your Committee finds that the lack of clarity regarding the responsibility for maintaining private roads has created problems among property owners and obstacles to mortgage financing. Your Committee believes that this measure begins to rectify the problem to make more mortgage financing available for home purchases and alleviates disputes regarding roadway maintenance among property owners who share a common private road or easement.

Your Committee noted concerns about a fairness issue that should be addressed. Specifically, situations have occurred when one owner paves a gravel road without the unanimous consent of the other owners and then seeks contribution for the maintenance of the upgraded road. To address this issue, your Committee requested that the testifiers meet to draft alternative language. However, your Committee has not received the requested language.

Your Committee has amended this measure by changing the effective date to July 1, 2010 to facilitate more discussion between all parties and allow more time to draft language that addresses the fairness issue.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2792, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2792, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (English).

SCRep. 3276 Commerce Consumer Protection and Housing on H.B. No. 2048

The purpose of this measure is to promote the use of renewable energy in Hawaii by increasing the maximum allowable generating capacity of an eligible customer-generator from ten kilowatts to fifty kilowatts and authorizing government entities to participate in net energy metering.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, Public Utilities Commission, Consumer Advocate, City and County of Honolulu, Hawaii PV Coalition, Sierra Club, PowerLight Corporation, and Hawaii Renewable Energy Alliance. Kauai Island Utility Cooperative opposed the measure. Hawaiian Electric Company, Inc. expressed concerns about the measure.

Your Committee finds that increasing the maximum allowable generating capacity of an eligible customer-generator will facilitate the installation of increased numbers of non-fossil generating facilities serving residential customers, promote fuel diversity, and encourage investment in renewable resources. Additionally, authorizing government entities to participate in net energy metering will enable the use of renewable energy in public facilities, thereby reducing government operating costs and saving taxpayer moneys.

Currently, under section 269-111, Hawaii Revised Statutes, renewable energy systems that are in compliance with industry safety and performance standards are not required to install additional controls, perform or pay for additional tests, or purchase additional liability insurance. However, your Committee further finds that an increase in maximum allowable generating capacity for eligible customer-generators from ten kilowatts to fifty kilowatts may require an interconnection study relating to safety and reliability issues. Therefore, your Committee has amended this measure to limit this exemption from additional costs or requirements to systems of ten kilowatts or less.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2048, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2048, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3277 Commerce Consumer Protection and Housing on H.B. No. 2093

The purpose of this measure is to authorize the Board of Dental Examiners to issue a community service license for eligible dentists or dental hygienists who work at non-profit health centers that service low-income and uninsured communities within the State.

Specifically, this measure:

- (1) Permits the board to issue a community service license to practice dentistry or dental hygiene to individuals who are employed by a federally qualified health center, Native Hawaiian health systems center, or post-secondary dental auxiliary training program accredited by the American Dental Association Commission on Dental Accreditation;
- (2) Enumerates the specific requirements for community service licenses for eligible dentistry or dental hygiene candidates, including the process for the renewal and revocation of licenses;
- (3) Authorizes a dentist or dental hygienist on active duty in the United States Army, Navy, Air Force, Public Health Service, or Veterans Administration, who is practicing dentistry or dental hygiene at a federally qualified health center or Native Hawaiian health systems center, to be eligible for a community service license; and
- (4) Clarifies that an individual shall be eligible to take an examination before the board upon submission of proper documentation and credentials, including but not limited to:
 - (A) A certificate or diploma from a college accredited by the American Dental Association Commission on Dental Accreditation; or
 - (B) A certificate or other evidence the board deems satisfactory to indicate passage of parts I and II of the National Board Dental Examination.

Testimony in support of this measure was submitted by the Department of Health, the Board of Dental Examiners, the State Council on Developmental Disabilities, the Hawaii Primary Care Association, the Advocates for Consumer Rights, the Hawaii Dental Hygienists' Association, and the Hawaii Medical Service Association.

Your Committee finds that there is limited access to dental care for low-income or uninsured individuals within the State. Locally, more than 270,000 residents are without dental insurance, while 80,000 MedQuest insured adults are also without dental benefits. Although additional centers offering dental clinics are expected to open in the near future, there are currently only a small number of non-profit federally qualified health centers in Hawaii which offer dental clinic services. Consequently, children in Hawaii suffer from triple the number of incidences of baby bottle tooth decay, double the number of dental caries, as well as more than double the number of decayed and filled teeth.

Your Committee believes that the failure to provide for basic and preventive dental care can result in more serious health problems in the future, which will in turn translate into increased costs to the State. Your Committee further finds that the number of dental professionals to staff dental clinics at non-profit health centers are deficient for our current needs. The current law precludes the utilization of otherwise qualified out-of-state professionals who do not possess proper licensure within the State. The establishment of a community service license will facilitate the recruitment and retention of eligible dentists and dental hygienists from other states who may be willing to provide services to low-income or uninsured communities in our islands. Your Committee determines that the need to properly provide for the health and well-being of our residents necessitates the creation of this exception to normal licensing requirements.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2093, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2093, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3278 Commerce Consumer Protection and Housing on H.B. No. 2798

The purpose of this measure is to expand the scope of the practice of pharmacy to include the intranasal delivery of drugs and the oral or intranasal delivery of vaccines.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Pharmacists Association, and MedImmune, Inc. Testimony in opposition to this measure was submitted by the Hawaii Medical Association.

Your Committee finds that under the current law, a properly trained pharmacist is authorized to administer drugs both orally or by injection and vaccinations by injection, but neither may be administered by intranasal delivery. Advances in medicine have resulted in the introduction of additional methods for administering drugs and vaccines; however, the law has failed to similarly evolve. During the recent outbreak of influenza there was a shortage of the influenza vaccination by injection. Although intranasal influenza vaccines were readily available, the outbreak was exacerbated by the inability of pharmacists to administer the vaccination by intranasal delivery. Therefore, your Committee determines that this expansion of the scope of the practice of pharmacy to allow pharmacists to administer drugs by intranasal delivery and vaccines orally and by intranasal delivery will provide increased access for patients to necessary drugs and immunizations.

Accordingly, your Committee has amended this measure by making a technical, nonsubstantive change for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2798, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2798, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3279 Commerce Consumer Protection and Housing on H.B. No. 1797

The purpose of this measure is to expand the practice of pharmacy by:

- (1) Allowing therapeutically certified optometrists to use and prescribe therapeutic pharmaceutical agents (TPAs), in addition to topically-applied agents, and including steroids; and
- (2) Repealing the prohibition on the treatment of glaucoma.

The Board of Pharmacy (Board) and numerous optometrists testified in support of this measure. The Hawaii Medical Association, Hawaii Psychiatric Medical Association, Hawaii Ophthalmological Society, Hawaii Coalition for Health, numerous physicians, and other individuals opposed the measure.

Under the current optometry licensing law, therapeutically certified optometrists may use and prescribe Board-approved topical TPAs only, subject to certain restrictions. Current law also prohibits TPA certified optometrists from dispensing or administering nonprescription oral pharmaceuticals, from using prescription anti fungal, injectable, or oral agents, and from treating glaucoma.

This measure repeals the above restrictions and allows TPA certified optometrists to use and prescribe Board-approved TPAs, in general, including steroids, but retains the exclusion for controlled substances. Restrictions on methods of administration are also lifted, although the authority to administer injectable agents is limited to the treatment of anaphylaxis. Additionally, this measure permits the treatment of glaucoma.

Your Committee finds that, in order to become TPA certified, an optometrist must complete a one hundred hour course in the treatment and management of ocular disease at an accredited school of optometry, pass the National Board of Examiners in Optometry's treatment and management of ocular disease examination, and complete a minimum of one hundred hours of preceptorship under the supervision of an ophthalmologist, that includes training in the diagnosis, treatment, and management of ocular diseases. Additionally a TPA certified optometrist must complete at least thirty-six hours of TPA continuing education biannually.

Your Committee further finds that since the law authorizing the use of TPAs by optometrists has been in effect in this State, the Board has not received any complaints against an optometrist for the improper or inappropriate use of any TPA. With respect to the liability issue, the primary liability insurer for 10,000 optometrists nationwide has reported that premium rates for optometrists who prescribe TPAs are no higher than rates for optometrists with a standard practice, and that rates have essentially remained constant since 1993.

Your Committee further finds that the majority of states, the District of Columbia, and Guam, allow optometrists to treat glaucoma and administer oral medication, and that half of the states permit the use of injectables for anaphylaxis.

Finally, your Committee finds that examinations by optometrists account for approximately seventy per cent of all routine eye examinations performed in this country. Since an optometrist is often the first medical professional to detect an ocular problem or disease, this measure will facilitate early and timely treatment by an appropriately trained professional. Further, this measure will provide consumers with increased access to care, increased treatment options, and greater continuity of care.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1797, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Baker).

SCRep. 3280 (Joint) Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology on S.C.R. No. 18

The purpose of this measure is to express the support of the Legislature for the Unified Buddhist Church of Vietnam as well as respectfully urge the government of Vietnam to respect religious freedom and human rights.

Testimony in support of this measure was received from three individuals.

Your Committees find that the Legislature's support for the Unified Buddhist Church of Vietnam will engender greater awareness within the Vietnamese government regarding the importance of religious freedom and tolerance as well as respect for basic human rights. This measure also reaffirms the Legislature's commitment to the passage of the Vietnam Human Rights Act and the implementation of the recommendations of the United States Commission on International Religious Freedom.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 18 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Aduja, Kanno, Hemmings, Whalen).

SCRep. 3281 (Joint) Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology on S.C.R. No. 22

The purpose of this measure is to recognize the Vietnamese American community's flag and to urge the City and County of Honolulu and state organizations to recognize the flag.

Testimony in support of this measure was received from eleven individuals.

Your Committees find that the flag is a symbol of heritage and culture for the American Vietnamese community in Hawaii. This measure also encourages the display of this flag as part of public flag ceremonies approved by the State.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 22 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Aduja, Kanno, Menor, Hemmings).

SCRep. 3282 (Joint) Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology on S.R. No. 11

The purpose of this measure is to recognize the Vietnamese American community's flag and to urge the City and County of Honolulu and state organizations to recognize the flag.

Testimony in support of this measure was received from eleven individuals.

Your Committees find that the flag is a symbol of heritage and culture for the American Vietnamese community in Hawaii. This measure also encourages the display of this flag as part of public flag ceremonies approved by the State.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 11 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Aduja, Kanno, Menor, Hemmings).

SCRep. 3283 (Joint) Transportation, Military Affairs, and Government Operations and Health on S.C.R. No. 51

The purpose of this measure is to request Hawaii's Congressional delegation to support the passage of federal legislation that will provide healthcare benefits to retired members of the military and their dependent spouses.

Testimony in support of this measure was received from the State Office of Veterans Services.

Your Committees find that some retired veterans are entitled to free lifetime health care benefits while others are not. The military base closings have aggravated the situation.

Your Committees further find that this measure demonstrates the support of the Hawaii Legislature in urging the immediate passage of the "Keep Our Promise to America's Military Retirees Act" currently pending in both houses of Congress. This Act is crucial in ensuring that America's retired military veterans and their dependent spouses have adequate health care benefits.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 51 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Aduja, Inouye, Kanno, Menor, Hogue).

SCRep. 3284 Transportation, Military Affairs, and Government Operations on S.C.R. No. 52

The purpose of this measure is to urge the people and businesses of Hawaii to recognize the sacrifices being made by the Hawaii-based National Guardsmen and military reservists as they are deployed on active duty.

The recognition comes in the form of returning deposits for goods and services and to otherwise financially accommodate the needs of deployed troops to the extent practicable.

Testimony in support of this measure was received from the State Department of Defense. Testimony in opposition was received from the Chamber of Commerce of Hawaii.

This measure sends a clear message to our citizen soldiers that Hawaii truly cares and supports their efforts as they fight in our nation's war on terrorism. This is a small request that has a big morale impact, if not a major economic impact, on our citizen troops who put their lives on the line every day so that we at home can be at peace.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 52 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 3285 Transportation, Military Affairs, and Government Operations on S.R. No. 23

The purpose of this measure is to urge the people and businesses of Hawaii to recognize the sacrifices being made by the Hawaii-based National Guardsmen and military reservists as they are deployed on active duty.

The recognition comes in the form of returning deposits for goods and services and to otherwise financially accommodate the needs of deployed troops to the extent practicable.

Testimony in support of this measure was received from the State Department of Defense. Testimony in opposition was received from the Chamber of Commerce of Hawaii.

This measure sends a clear message to our citizen soldiers that Hawaii truly cares and supports their efforts as they fight in our nation's war on terrorism. This is a small request that has a big morale impact, if not a major economic impact, on our citizen troops who put their lives on the line every day so that we at home can be at peace.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 23 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 3286 (Joint) Transportation, Military Affairs, and Government Operations and Economic Development on S.C.R. No. 88

The purpose of this measure is to request a study on the price setting mechanisms and strategies of Hawaii's interisland air carriers.

Offering comments on the measure was the Department of Business, Economic Development, and Tourism.

Your Committees find that this measure is designed to protect both Hawaii's consumers and tourist industry by ascertaining the various causes that contribute to the high price of airfare that Hawaii's citizens and out-of-state tourists must pay for interisland travel. High interisland fares negatively impact the State's economy in the form of lost revenue as interisland passenger numbers continue to decline due, in part, to high ticket prices. The collection and analysis of this important data will enable the Legislature, members of the public, and the interisland airline industry to work together in a collaborative process in making informed decisions regarding this issue.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 88 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (Baker, Ige, Ihara, Kanno, Menor).

SCRep. 3287 (Joint) Transportation, Military Affairs, and Government Operations and Economic Development on S.C.R. No. 102

The purpose of this measure is to request the Honolulu District Office of the United States Citizenship and Immigration Services to authorize the entry of Filipino longline fishermen with valid transit visas.

Testimony in support of the measure was received from one individual. Offering comments on the measure were two individuals.

Your Committees find that this measure is designed to preserve and protect the economic viability of Hawaii's longline fishing industry by requesting the United States Citizenship and Immigration Services to reissue transit visas to Filipino longline fishermen. According to the Hawaii Longline Association, Hawaii's longline fishing industry relies heavily on skilled foreign fishermen and Filipinos comprise sixty percent of this critical labor force. Transit visas do not confer legal immigrant status on the holder, and they must be lawfully obtained through a United States consulate. Your Committees find that this measure fulfills the needs of Hawaii's longline fishing industry while ensuring that the entry of foreign nationals into the United States remains properly regulated by the federal government.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 102 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (Baker, Ige, Ihara, Kanno, Menor).

SCRep. 3288 (Joint) Human Services and Judiciary and Hawaiian Affairs on S.C.R. No. 4

The purpose of this measure is to request the establishment of an interagency task force to evaluate the opening of child welfare family court proceedings to the public.

The Department of Human Services and Child Welfare Services submitted testimony in support of the measure.

Your Committees find that the Legislature must be cautious in opening child abuse and neglect cases to the public in order to respect the privacy and well being of the child and their family. However, opening up these cases can assist in family problem-solving, improve coordination and collaboration, and make a more effective use of limited resources. Still, these situations are fairly sensitive and caution must be taken before any decisions can be made. This measure will create a task force to evaluate the potential risks and benefits of opening Child and Welfare Family Court proceedings to the public.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 4 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Hooser, Tsutsui, Hogue, Trimble).

SCRep. 3289 (Joint) Human Services and Judiciary and Hawaiian Affairs on S.C.R. No. 189

The purpose of this measure is to urge support for Malama O Kamali`i Makamae in its efforts to develop care home facilities for needy children of Hawaiian ancestry.

Malama O Kamali`i Makamae submitted testimony in support of the measure.

Your Committees find that there are many children needing a safe environment to stay in long-term while their parents or guardians seek help for their own problems. The State's child protective services and foster care system is inundated with requests for services and many social workers are experiencing case overloads. Developing care home facilities for children to promote improvement in physical and emotional well-being and increase their self-esteem and academic and cultural learning is imperative. Malama O Kamali`i Makamae is one such organization that is dedicated to providing a wellness refuge for children to grow and be successful and productive members in their communities. Its focus on children of Hawaiian ancestry will assist a particularly vulnerable segment of this population.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 189 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Hooser, Tsutsui, Hogue, Trimble).

SCRep. 3290 Health on S.C.R. No. 49

The purpose of this measure is to urge the offering of continuing medical education on pain management.

Testimony in support of this measure was received from the Hawaii Medical Association, Death with Dignity Hawaii Coalition, and an individual.

Your Committee finds that Last Acts, a national coalition dedicated to improving care near the end of life, gave Hawaii an "E", the lowest grade possible, for our failure to have any state policy that encourages comprehensive pain control. Furthermore, one-third of residents dying in Hawaii's nursing homes are in persistent, yet treatable, pain. Adoption of this measure will help increase the quality and availability of pain management for Hawaii patients.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 49 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 3291 (Joint) Health and Education on S.R. No. 46

The purpose of this measure is to request the Department of Health to develop a program to ensure that all schools are staffed with school health aide personnel at all times.

Testimony in support of this measure was received from the Department of Health (DOH), Department of Education (DOE), Hawaii State Teachers Association, and Hawaii Government Employees Association.

Your Committees find that two-hundred fifty-five of two-hundred fifty-six public schools in the State have a permanent school health aide position. However, only forty-nine substitute school health aides statewide provide coverage during the absence of the permanent school health aide. This causes a problem for school principals, trying to find coverage to ensure the health and safety of students, when school health aides are absent from work. This measure would help ensure that all public school health rooms would be staffed at all times during the school day with qualified health personnel.

Your Committees have amended this measure by:

- (1) Requesting the DOH collaborate with the DOE; and
- (2) Requiring a status report to be submitted to the Legislature.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 46, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 46, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Kawamoto, Kokubun, Tsutsui).

SCRep. 3292 (Joint/Majority) Labor and Transportation, Military Affairs, and Government Operations on S.C.R. No. 144

The purpose of this measure is to express the Legislature's support of the Employee Free Choice Act.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO.

The Department of Labor and Industrial Relations submitted comments on the measure.

Your Committees find that for several decades workers in the United States have enjoyed the right to form and join unions. Membership in a union can provide a worker with numerous benefits, including increased wages, improved work environments, and freedom from discrimination in the workplace. Additionally, unions can prove beneficial to the communities by strengthening tax bases, promoting equal treatment, and enhancing civic participation. Unfortunately, as a practical matter, many workers are often barred from forming or joining a union. As a result, our nation's workers suffer from lowered wages, pay discrimination, and diminished standards for workplace safety.

The Employee Free Choice Act is a measure that has been introduced in Congress that will enable United States workers to join unions and negotiate first contracts without employer harassment. Under the Employee Free Choice Act, workers will be provided the option as to whether to form unions, and employers or unions may refer first contract disputes to mediation or arbitration. The Act also establishes meaningful penalties for violations of employees' rights when workers seek to form a union or during first contract negotiations. Your Committees recognize that overwhelming support for the Employee Free Choice Act exists both locally and nationally, with the Hawaii State AFL-CIO as well as over two hundred congressional members all supporting its passage. Accordingly, your Committees believe that it is necessary for the Legislature to also express its support for the passage of the Employee Free Choice Act, which would provide more meaningful protection for Hawaii's, as well as the entire nation's, workers.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 144 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Slom). Excused, 4 (Baker, Ihara, Menor, Sakamoto).

SCRep. 3293 (Joint/Majority) Labor and Transportation, Military Affairs, and Government Operations on S.R. No. 77

The purpose of this measure is to express the Legislature's support of the Employee Free Choice Act.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO.

The Department of Labor and Industrial Relations submitted comments on the measure.

Your Committees find that for several decades workers in the United States have enjoyed the right to form and join unions. Membership in a union can provide a worker with numerous benefits, including increased wages, improved work environments, and freedom from discrimination in the workplace. Additionally, unions can prove beneficial to the communities by strengthening tax bases, promoting equal treatment, and enhancing civic participation. Unfortunately, as a practical matter, many workers are often barred from forming or joining a union. As a result, our nation's workers suffer from lowered wages, pay discrimination, and diminished standards for workplace safety.

The Employee Free Choice Act is a measure that has been introduced in Congress that will enable United States workers to join unions and negotiate first contracts without employer harassment. Under the Employee Free Choice Act, workers will be provided the option as to whether to form unions, and employers or unions may refer first contract disputes to mediation or arbitration. The Act also establishes meaningful penalties for violations of employees' rights when workers seek to form a union or during first contract negotiations. Your Committees recognize that overwhelming support for the Employee Free Choice Act exists both locally and nationally, with the Hawaii State AFL-CIO as well as over two hundred congressional members all supporting its passage. Accordingly, your Committees believe that it is necessary for the Legislature to also express its support for the passage of the Employee Free Choice Act, which would provide more meaningful protection for Hawaii's, as well as the entire nation's, workers.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 77 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Slom). Excused, 4 (Baker, Ihara, Menor, Sakamoto).

SCRep. 3294 (Joint/Majority) Economic Development and Labor on S.C.R. No. 67

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism and the Workforce Development Council to update the Legislature on the progress of formulating a report that identifies promising industry clusters, develops important labor supply-demand matrixes, and discusses ways of expanding educational opportunities as part of the Department's ongoing initiative to better understand and predict Hawaii's future labor force needs.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, the Department of Labor and Industrial Relations, and the Workforce Development Council.

Your Committees find that this measure recognizes the importance of taking a proactive approach in identifying strategies that will not only diversify Hawaii's economy, but also support and sustain a highly skilled and well paid workforce. In order to accomplish these goals, the State must adopt and implement a multi-pronged strategy which identifies and develops specific industries in order to maximize their economic and workforce potential, expand educational opportunities for Hawaii's citizens, and develop labor supply and demand matrices to better predict future labor force demands.

Your Committees note that the Department of Business, Economic Development, and Tourism and the Workforce Development Council are in the process of finalizing this report for distribution prior to the convening of the Regular Session of 2005 and therefore await the findings and recommendations outlined in this report.

As affirmed by the records of votes of the members of your Committees on Economic Development and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 67 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 3295 (Joint/Majority) Economic Development and Labor on S.R. No. 31

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism and the Workforce Development Council to update the Legislature on the progress of formulating a report that identifies promising industry clusters, develops important labor supply-demand matrixes, and discusses ways of expanding educational opportunities as part of the Department's ongoing initiative to better understand and predict Hawaii's future labor force needs.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, the Department of Labor and Industrial Relations, and the Workforce Development Council.

Your Committees find that this measure recognizes the importance of taking a proactive approach in identifying strategies that will not only diversify Hawaii's economy, but also support and sustain a highly skilled and well paid workforce. In order to accomplish these goals, the State must adopt and implement a multi-pronged strategy which identifies and develops specific industries in order to maximize their economic and workforce potential, expand educational opportunities for Hawaii's citizens, and develop labor supply and demand matrices to better predict future labor force demands.

Your Committees note that the Department of Business, Economic Development, and Tourism and the Workforce Development Council are in the process of finalizing this report for distribution prior to the convening of the Regular Session of 2005 and therefore await the findings and recommendations outlined in this report.

As affirmed by the records of votes of the members of your Committees on Economic Development and Labor that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 31 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 3296 (Joint) Tourism, Economic Development and Transportation, Military Affairs, and Government Operations on S.C.R. No. 129

The purpose of this measure is to urge the President of the United States to secure an agreement to permit visitor visas to be issued to citizens of the People's Republic of China to visit the United States.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development and Tourism and Hawaii Tourism Authority.

Your Committees find that Chinese nationals face tremendous difficulties in obtaining visas to travel to Hawaii. The application process is found to be demeaning, onerous, costly, and time consuming. As a result, the economy of Hawaii has experienced serious repercussions, including cancelled convention bookings, cancelled training programs for Chinese government officials, and changes to the flight routes between China and Hawaii.

Your Committees further find that while encouraging an increased amount of foreign travel to Hawaii will benefit the State's economy, the increased visitor count will create additional hardships on the already limited infrastructure and resources of the Honolulu International Airport. Visitors arriving on weekends often wait one and one-half hours to be processed through immigration inspectors. With new homeland security measures of photographing and fingerprinting scheduled for implementation within the next six months, the current situation will be exacerbated.

Your Committees expressed concern with the reports of repressed and violated human rights of the citizens of the People's Republic of China, and the recognition of Chinese criminal groups as the most sophisticated heroin trafficking organizations in the world.

Your Committees have amended this measure by:

- (1) Expanding the title as follows:

“URGING THE PRESIDENT OF THE UNITED STATES TO SECURE AN AUTHORIZED DESTINATION STATUS AGREEMENT WITH THE GOVERNMENT OF THE PEOPLE’S REPUBLIC OF CHINA TO ALLOW VISITOR VISAS TO BE ISSUED TO CITIZENS OF THE PEOPLE’S REPUBLIC OF CHINA TO VISIT THE UNITED STATES; URGING PREMIER WEN JIABAO TO RESTORE HUMAN RIGHTS TO THE REPUBLIC’S CITIZENS AND CRACK DOWN ON ILLEGAL DRUG TRAFFICKING; AND REQUESTING THE DEPARTMENT OF HOMELAND SECURITY TO POSTPONE NEW IMMIGRATION PROCEDURES AT HONOLULU INTERNATIONAL AIRPORT UNTIL INCREASED CAPACITY IS IMPLEMENTED”;

- (2) Adding several new whereas clauses relating to immigration delays at the Honolulu International Airport, and human rights violations and illegal drug trafficking in the People’s Republic of China;
- (3) Adding a new resolved clause to urge the Department of Homeland Security to postpone implementation of the new immigration program at the Honolulu International Airport until increased capacity is available; and
- (4) Adding a new resolved clause to urge the Chinese government to restore human rights to its citizens and to crack down on illegal drug trafficking into the United States from China.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 129, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 129, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 5 (Baker, Ige, Ihara, Kanno, Menor).

SCRep. 3297 (Joint) Tourism, Economic Development and Transportation, Military Affairs, and Government Operations on S.R. No. 67

The purpose of this measure is to urge the President of the United States to secure an agreement to permit visitor visas to be issued to citizens of the People’s Republic of China to visit the United States.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development and Tourism and Hawaii Tourism Authority.

Your Committees find that Chinese nationals face tremendous difficulties in obtaining visas to travel to Hawaii. The application process is found to be demeaning, onerous, costly, and time consuming. As a result, the economy of Hawaii has experienced serious repercussions, including cancelled convention bookings, cancelled training programs for Chinese government officials, and changes to the flight routes between China and Hawaii.

Your Committees further find that while encouraging an increased amount of foreign travel to Hawaii will benefit the State’s economy, the increased visitor count will create additional hardships on the already limited infrastructure and resources of the Honolulu International Airport. Visitors arriving on weekends often wait one and one-half hours to be processed through immigration inspectors. With new homeland security measures of photographing and fingerprinting scheduled for implementation within the next six months, the current situation will be exacerbated.

Your Committees expressed concern with the reports of repressed and violated human rights of the citizens of the People’s Republic of China, and the recognition of Chinese criminal groups as the most sophisticated heroin trafficking organizations in the world.

Your Committees have amended this measure by:

- (1) Expanding the title as follows:

“URGING THE PRESIDENT OF THE UNITED STATES TO SECURE AN AUTHORIZED DESTINATION STATUS AGREEMENT WITH THE GOVERNMENT OF THE PEOPLE’S REPUBLIC OF CHINA TO ALLOW VISITOR VISAS TO BE ISSUED TO CITIZENS OF THE PEOPLE’S REPUBLIC OF CHINA TO VISIT THE UNITED STATES; URGING PREMIER WEN JIABAO TO RESTORE HUMAN RIGHTS TO THE REPUBLIC’S CITIZENS AND CRACK DOWN ON ILLEGAL DRUG TRAFFICKING; AND REQUESTING THE DEPARTMENT OF HOMELAND SECURITY TO POSTPONE NEW IMMIGRATION PROCEDURES AT HONOLULU INTERNATIONAL AIRPORT UNTIL INCREASED CAPACITY IS IMPLEMENTED”;

- (2) Adding several new whereas clauses relating to immigration delays at the Honolulu International Airport, and human rights violations and illegal drug trafficking in the People’s Republic of China;
- (3) Adding a new resolved clause to urge the Department of Homeland Security to postpone implementation of the new immigration program at the Honolulu International Airport until increased capacity is available; and
- (4) Adding a new resolved clause to urge the Chinese government to restore human rights to its citizens and to crack down on illegal drug trafficking into the United States from China.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 67, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 67, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 5 (Baker, Ige, Ihara, Kanno, Menor).

SCRep. 3298 (Joint) Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations on S.C.R. No. 63

The purpose of this measure is to request the City and County of Honolulu to expand the Hawaii Capital Special District and to encourage the involvement and support of private organizations and public agencies in promoting arts and culture in Hawaii.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism. Offering comments on the measure was the State Foundation on Culture and the Arts; the Hawaii Community Development Authority; the City and County of Honolulu, Department of Planning and Permitting; and one individual.

Your Committees find that this measure recognizes the unique cultural, historic, artistic, architectural, and civic landmarks located within the geographic area bounded by Kalihi and Piikoi Streets, Beretania Street, and the Pacific Ocean. To preserve and protect these treasured landmarks, it is necessary to increase awareness among private organizations, government agencies, and community members living in this area regarding the need to manage, preserve, protect, and enhance these assets. Designating this geographic area the Hawaii Capital Cultural District would accomplish those aims.

Your Committees have amended this measure by:

- (1) Amending the title of the Concurrent Resolution to read: "DESIGNATING THE HAWAII CAPITAL CULTURAL DISTRICT AND ENCOURAGING THE MAXIMUM INVOLVEMENT AND SUPPORT OF ALL ORGANIZATIONS, PRIVATE AND PUBLIC, IN A COLLABORATIVE PROCESS WITH THE STATE FOUNDATION ON CULTURE AND THE ARTS TO PLAN FOR, SUSTAIN, AND PROMOTE CULTURE AND THE ARTS IN HAWAII;"
- (2) Deleting the request to the City and County of Honolulu to expand the Hawaii Capital Special District;
- (3) Removing the geographic description of the Hawaii Capital Special District; and
- (4) Designating the geographic area bounded by Kalihi and Piikoi Streets, Beretania Street, and the Pacific Ocean as the Hawaii Capital Cultural District.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 63, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 63, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Aduja, Kanno, Menor, Hemmings).

SCRep. 3299 Health on Gov. Msg. No. 377

Recommending that the Senate advise and consent to the nomination of the following:

DRUG PRODUCT SELECTION BOARD

G.M. No. 377 JAMES P. EPURE, MD, for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Drug Product Selection Board.

Your Committee received testimony in support of JAMES P. EPURE, MD, from the Department of Health. With sixteen years as a medical doctor, Dr. Epure currently serves as a staff physician specializing in Geriatric Medicine at the Spark M. Matsunaga VA Medical Center. Dr. Epure is also a faculty member in the Department of Geriatric Medicine at the John A. Burns School of Medicine. Dr. Epure received his medical degree from Wright State University School of Medicine and completed a fellowship in Geriatric Medicine at the John A. Burns School of Medicine. Dr. Epure has served on the Ethics Committee at Kuakini Medical Center, the American Samoa AIDS Committee, and the Pharmacy and Therapeutics Committee at St. Mary's Medical Center in San Francisco. Dr. Epure has been a member of this Board since 2000, currently serves as its Chair, and is seeking reappointment.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 3300 (Joint) Health and Human Services on S.C.R. No. 79

The purpose of this measure is to request of the Hawaii State Council on Developmental Disabilities to convene a task force to identify issues and solutions regarding individuals with developmental disabilities and their choice of residential setting.

Testimony in support of this measure was received from the State Council on Developmental Disabilities, Department of Human Services, Department of Health, Hawaii Disability Rights Center, The Arc of Kauai, and two individuals.

Your Committees find that individual choice and preference is especially important to individuals with developmental disabilities so they may have a say in the kind of services and support they receive, including residential settings. Some residential homes are unlicensed, but provide a safe and healthy environment for individuals with developmental disabilities. An individual's choice to remain in that setting is based on the comfort and safety the individual experiences there, and the lack of licensure does not detract from that.

Your Committees further find, however, that current rules and regulations prevent an individual with developmental disabilities from residing in a home that is unlicensed. An individual with developmental disabilities should not be required to move and be displaced due to factors beyond his or her control, if it is not his or her choice to do so.

Your Committees have amended this measure by incorporating language provided by the Council on Developmental Disabilities that would:

- (1) Address individual choice and self-determination for individuals with developmental disabilities by increasing residential options, including use of unlicensed homes; and
- (2) Revise statutes, administrative rules, policies, and directives that would allow unlicensed homes as a residential option if they provide a safe and healthy environment.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 79, as amended herein, recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.C.R. No. 79, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hooser, Kokubun, Tsutsui, Trimble).

SCRep. 3301 (Majority) Labor on S.C.R. No. 41

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study regarding the safety and working conditions of prison guards in state correctional facilities.

Testimony in support of this measure was submitted by the United Public Workers.

Testimony in opposition to this measure was submitted by the Department of Public Safety.

The Legislative Reference Bureau submitted comments on the measure.

Your Committee finds that there exists stressful working conditions at state correctional facilities, such as inmate overcrowding and prison guard understaffing with ninety-six vacancies unfilled. The understaffing alone has required excessive overtime hours. These difficult conditions have led to employees at state correctional facilities utilizing an average of twenty-seven sick leave days per year, in contrast to other state workers who utilize ten sick days per year.

Your Committee recognizes that the State Auditor has conducted similar studies in the past and that in November 2003, Carter-Goble Associates, Inc. prepared a report entitled 10-Year Corrections Master Plan Update, wherein it was recommended that conditions at state correctional facilities could be improved through facility development. Your Committee understands that supporting the recommendations of that report can help to improve working conditions for prison guards.

However, your Committee recognizes that the previous studies conducted by the Auditor date back more than ten years. Therefore, during the interim, conditions may have changed that would not be reflected in the previous studies. Additionally, although improvements in the correctional facilities will improve working conditions for the prison guards, your Committee believes that this study may also be beneficial in revealing additional problems or solutions to address the needs of the individuals concerned. As the safety of employees, stemming from issues related to working conditions, work schedules, and staffing plans, is the primary concern of this Committee, your Committee determines that this measure should continue to advance in the Legislature to address those concerns.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 41 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

SCRep. 3302 (Majority) Labor on S.R. No. 21

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study regarding the safety and working conditions of prison guards in state correctional facilities.

Testimony in support of this measure was submitted by the United Public Workers.

Testimony in opposition to this measure was submitted by the Department of Public Safety.

The Legislative Reference Bureau submitted comments on the measure.

Your Committee finds that there exists stressful working conditions at state correctional facilities, such as inmate overcrowding and prison guard understaffing with ninety-six vacancies unfilled. The understaffing alone has required excessive overtime hours. These difficult conditions have led to employees at state correctional facilities utilizing an average of twenty-seven sick leave days per year, in contrast to other state workers who utilize ten sick days per year.

Your Committee recognizes that the State Auditor has conducted similar studies in the past and that in November 2003, Carter-Goble Associates, Inc. prepared a report entitled 10-Year Corrections Master Plan Update, wherein it was recommended that conditions at state correctional facilities could be improved through facility development. Your Committee understands that supporting the recommendations of that report can help to improve working conditions for prison guards.

However, your Committee recognizes that the previous studies conducted by the Auditor date back more than ten years. Therefore, during the interim, conditions may have changed that would not be reflected in the previous studies. Additionally, although improvements in the correctional facilities will improve working conditions for the prison guards, your Committee believes that this study may also be beneficial in revealing additional problems or solutions to address the needs of the individuals concerned. As the safety of employees, stemming from issues related to working conditions, work schedules, and staffing plans, is the primary concern of this Committee, your Committee determines that this measure should continue to advance in the Legislature to address those concerns.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 21 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

SCRep. 3303 (Joint) Economic Development and Water, Land, and Agriculture on S.C.R. No. 58

The purpose of this measure is to request a study regarding the feasibility of establishing a public-private partnership in developing a railroad from West Oahu through Central Oahu and to the North Shore of Oahu.

Three individuals testified in support of the measure. The Department of Business, Economic Development, and Tourism and the Department of Transportation offered comments on the measure.

Your Committees find that this feasibility study would determine the viability of developing a railroad that would function primarily as a tourist attraction, transporting tourists through the former plantation community of Waialua and disembarking in the popular North Shore town of Haleiwa. This railroad would mirror similar train attractions on the mainland which have become popular tourist attractions, generating significant amounts of revenue.

Your Committees have amended this measure by including the Hawaii Tourism Authority as part of the task force conducting this feasibility study.

As affirmed by the records of votes of the members of your Committees on Economic Development and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 58, as amended herein, recommend that it be referred to the Committee on Transportation, Military Affairs, and Government Operations, in the form attached hereto as S.C.R. No. 58, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (English, Ige, Kanno, Kawamoto, Whalen).

SCRep. 3304 (Joint) Economic Development and Water, Land, and Agriculture on S.R. No. 26

The purpose of this measure is to request a study regarding the feasibility of establishing a public-private partnership in developing a railroad from West Oahu through Central Oahu and to the North Shore of Oahu.

Three individuals testified in support of the measure. The Department of Business, Economic Development, and Tourism and the Department of Transportation offered comments on the measure.

Your Committees find that this feasibility study would determine the viability of developing a railroad that would function primarily as a tourist attraction, transporting tourists through the former plantation community of Waialua and disembarking in the popular North Shore town of Haleiwa. This railroad would mirror similar train attractions on the mainland which have become popular tourist attractions, generating significant amounts of revenue.

Your Committees have amended this measure by including the Hawaii Tourism Authority as part of the task force conducting this feasibility study.

As affirmed by the records of votes of the members of your Committees on Economic Development and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 26, as amended herein, recommend that it be referred to the Committee on Transportation, Military Affairs, and Government Operations, in the form attached hereto as S.R. No. 26, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (English, Ige, Kanno, Kawamoto, Whalen).

SCRep. 3305 (Joint) Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations on S.C.R. No. 59

The purpose of this measure is to request the executives at DaimlerChrysler and Dodge to rename the Dodge Kahuna, refrain from using the word “kahuna” in the name of its vehicles, and conduct research prior to using any Hawaiian word to name any of its products.

Testimony in support of the measure was received from the Office of Hawaiian Affairs and one individual who attached to his testimony a statement that there are signatures of 4,809 individuals that feel the use of the word “kahuna” is offensive as part of the name of a vehicle.

Your Committees find that this measure is intended to make the executives at DaimlerChrysler and Dodge aware that the use of the word “kahuna” to name its new concept car is not only offensive, but demonstrates a lack of sensitivity to Native Hawaiian culture. The term “kahuna” means priest, minister, or expert practitioner and connotes a wise elder in the Hawaiian language and thus is inappropriate to describe a concept vehicle that is designed to epitomize waves, surfing, and fast cars.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 59 and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Aduja, Kanno, Menor, Hemmings).

SCRep. 3306 (Joint) Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations on S.R. No. 27

The purpose of this measure is to request the executives at DaimlerChrysler and Dodge to rename the Dodge Kahuna, refrain from using the word “kahuna” in the name of its vehicles, and conduct research prior to using any Hawaiian word to name any of its products.

Testimony in support of the measure was received from the Office of Hawaiian Affairs and one individual who attached to his testimony a statement that there are signatures of 4,809 individuals that feel the use of the word “kahuna” is offensive as part of the name of a vehicle.

Your Committees find that this measure is intended to make the executives at DaimlerChrysler and Dodge aware that the use of the word “kahuna” to name its new concept car is not only offensive, but demonstrates a lack of sensitivity to Native Hawaiian culture. The term “kahuna” means priest, minister, or expert practitioner and connotes a wise elder in the Hawaiian language and thus is inappropriate to describe a concept vehicle that is designed to epitomize waves, surfing, and fast cars.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 27 and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Aduja, Kanno, Menor, Hemmings).

SCRep. 3307 Health on S.C.R. No. 77

The purpose of this measure is to request that the Governor declare 2004 as the “Year of Polio Awareness” in Hawaii.

Testimony in support of this measure was received from the March of Dimes, Hawaii Post Polio Network, and four individuals.

Your Committee finds that the success of the polio vaccine has resulted in complacency among the general public and caused people to forget the 1.6 million polio survivors in the United States who were born before the vaccine was developed. Furthermore, as many as fifty percent of American children are believed not to have received adequate doses of the polio vaccine, and that the polio vaccination rates in Hawaii in 2003 were below the national average. Adoption of this measure will help bring attention to this serious, and often overlooked, physical disability, and encourage vaccination and education of the community.

Your Committee has amended this measure by:

- (1) Incorporating language from SCR 70, which is similar to this measure; and
- (2) Making the corrections recommended in the oral testimony of the Hawaii Post Polio Network that would reflect a more accurate statistic for paralytic and “non-paralytic” polio survivors.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 77, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Tsutsui).

SCRep. 3308 Health on S.R. No. 37

The purpose of this measure is to request that the Governor declare 2004 as the “Year of Polio Awareness” in Hawaii.

Testimony in support of this measure was received from the March of Dimes, Hawaii Post Polio Network, and four individuals.

Your Committee finds that the success of the polio vaccine has resulted in complacency among the general public and caused people to forget the 1.6 million polio survivors in the United States who were born before the vaccine was developed. Furthermore, as many as fifty percent of American children are believed not to have received adequate doses of the polio vaccine, and that the polio vaccination rates in Hawaii in 2003 were below the national average. Adoption of this measure will help bring attention to this serious, and often overlooked, physical disability, and encourage vaccination and education of the community.

Your Committee has amended this measure by:

- (1) Incorporating language from SCR 70, which is similar to this measure; and
- (2) Making the corrections recommended in the oral testimony of the Hawaii Post Polio Network that would reflect a more accurate statistic for paralytic and “non-paralytic” polio survivors.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 37, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 37, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Tsutsui).

SCRep. 3309 Health on H.C.R. No. 159

The purpose of this measure is to support the Hawaii Medical Association, Hawaii Psychiatric Medical Association, and the American Psychiatric Association in extending an invitation to the American Medical Association House of Delegates to return to Honolulu for its interim winter meeting in 2007 or 2008.

Testimony in support of this measure was received from the Department of Business, Economic Development and Tourism, Hawaii Tourism Authority, American Psychiatric Association, Hawaii Psychiatric Medical Association, Hawaii Medical Association, National Alliance for the Mentally Ill-Oahu, and a psychiatrist.

Your Committee finds that convening the interim winter meeting of the American Medical Association House of Delegates in Hawaii is not only beneficial to our economy, but also provides national perspectives on medicine to our medical community.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 159, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Kokubun).

**SCRep. 3310 (Joint) Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations
on H.C.R. No. 47**

The purpose of this measure is to encourage the United States Postal Service to host the final ceremony commemorating the release of the “Souvenir Sheet” containing all twelve Chinese Lunar New Year postage stamps in Hawaii on January 2005.

Testimony in support of this measure was received from the State Foundation on Culture and the Arts and one individual.

Your Committees find that the United State Postal Service plans to issue a “Souvenir Sheet” containing all twelve Chinese Lunar New Year postage stamps, designed by renowned Hawaii born graphic artist Clarence Lee, on January 2005. The initial unveiling of this “Souvenir Sheet” took place at the East-West Center on December 29, 2003.

The ceremony marking the release of this “Souvenir Sheet” was originally scheduled to take place in Honolulu, Hawaii, but has been subsequently moved to San Francisco, California. Your Committees find that it is only proper that this important event, which

honors Mr. Lee's work and important contributions in bringing about a greater awareness and appreciation of Chinese American history and culture across the nation, should take place in Mr. Lee's birthplace and hometown, Honolulu, Hawaii.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 47, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Kanno, Hemmings, Whalen).

SCRep. 3311 (Joint) Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations on H.C.R. No. 50

The purpose of this measure is to:

- (1) Designate the area in Honolulu between Kalihi and Piikoi Streets, Beretania Street, and the Pacific Ocean as the Hawaii Capital Cultural District; and
- (2) Encourage the maximum involvement and support of all public and private organizations to collaborate with the State Foundation on Culture and the Arts to preserve and develop culture and arts throughout the State.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism and the State Foundation on Culture and the Arts. One individual offered comments on the measure.

Your Committees find that this measure recognizes and protects important civic, historic, cultural, and artistic landmarks within a specific geographic area by designating this area the "Hawaii Capitol Cultural District." This designation reaffirms the important role that these landmarks have had in Hawaii's social, political, and cultural history. Further, the designation of this geographic area is the product of a partnership between state and county government agencies as well as community organizations located within this district, that is dedicated to encouraging and promoting artistic and cultural activities both in this community and across Hawaii.

Your Committees have amended this measure by changing the spelling of the word "Capitol" to "Capital" wherever it appears in this measure.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 50, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 50, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (English, Kanno, Hemmings, Whalen).

SCRep. 3312 Education on S.C.R. No. 159

The purpose of this measure is to request the Auditor to conduct a management and effectiveness audit of programs to recruit and retain Hawaiian students at the University of Hawaii and to establish a baseline for evaluation of improvement in programming in the future.

This measure also requests the Chancellor of the University of Hawaii at Manoa to form a task force to evaluate the results of the audit and plan for the improvement of services to recruit and retain Hawaiian students.

Your Committee received testimony in support of the measure from the University of Hawaii, the Chancellor of the University of Hawaii at Manoa, the Office of Hawaiian Affairs, and two individuals.

Your Committee finds that Hawaiian students continue to be underrepresented at the University of Hawaii. While Hawaiians represent twenty-seven percent of students in public schools across the State, less than ten percent of the students at the University are identified as Hawaiian or Part Hawaiian.

Numerous Hawaiian advocacy groups, agencies, and non-profits have long supported the education of Hawaiians, believing it to be one of the best hopes for the improvement of the social and economic conditions endured by Hawaiians and the survival of the host culture of this State.

In order to track programmatic funding and the effectiveness of current and new programs, appropriate means of measurement and a baseline must be established. Your Committee believes in the advancement of the Hawaiian people and the University of Hawaii, and is committed to increasing support for the education of Hawaiians.

Your Committee has amended the measure to clarify the reference to the University of Hawaii at Manoa, and to add a reference to the Financially Needy Native Hawaiian tuition waiver category and to state that over 1,000 Native Hawaiians systemwide received tuition waivers.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 159, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.C.R. No. 159, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

SCRep. 3313 Education on S.C.R. No. 42

The purpose of this measure is to convene a study group to study the feasibility of increasing the operating budget of the University of Hawaii at Hilo to support establishing the university as a full-fledged comprehensive university.

Your Committee received testimony in support of this measure from the University of Hawaii at Hilo, Mayor of Hawaii County, Hawaii Island Economic Development Board, and Kanoehelua Industrial Area Association.

The University of Hawaii at Hilo is an important economic engine for the economy of the Big Island, and also serves a vital role in the area of workforce development for the region. An additional investment in the Hilo campus is needed to sustain the recent enrollment growth and to increase campus research awards.

Your Committee finds that the establishment of a study group will identify the correlation between additional funding and future potential of the Hilo campus.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 42 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

SCRep. 3314 Education on S.C.R. No. 48

The purpose of this measure is to support the demolition and reconstruction of Frear Hall and Johnson Hall to accommodate increasing undergraduate student demand for on-campus housing, and to support an appropriation of funds to refurbish other existing housing complexes.

Your Committee received comments from the University of Hawaii.

The University of Hawaii, Office of Capital Improvements has initiated a market and feasibility study to determine the student housing needs for the future, and requests your Committee to defer action until the study is completed.

Your Committee finds that the immediate concern for the safety, health, and well-being of students currently living on campus outweighs the possible benefits of a delay, and therefore supports moving this measure forward.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 48 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

SCRep. 3315 Education on S.R. No. 22

The purpose of this measure is to support the demolition and reconstruction of Frear Hall and Johnson Hall to accommodate increasing undergraduate student demand for on-campus housing, and to support an appropriation of funds to refurbish other existing housing complexes.

Your Committee received comments from the University of Hawaii.

The University of Hawaii, Office of Capital Improvements has initiated a market and feasibility study to determine the student housing needs for the future, and requests your Committee to defer action until the study is completed.

Your Committee finds that the immediate concern for the safety, health, and well-being of students currently living on campus outweighs the possible benefits of a delay, and therefore supports moving this measure forward.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 22 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

SCRep. 3316 Education on S.C.R. No. 60

The purpose of this measure is to request Congress to amend the No Child Left Behind Act of 2001 (NCLB) to include waivers to help states meet the requirements of the law, specifically, a waiver from deeming a school as failing based solely on participation rates, and to request sufficient funds to meet the mandates of the law.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii State Teachers Association, and the Hawaii Government Employees Association.

Some debate centers on the need for additional accountability and flexibility in testing special education and limited English proficient students. The NCLB law has been criticized for identifying a school as “under-performing” based on the results of one subgroup, without consideration of the school’s overall performance.

Your Committee finds that the need for additional accountability and flexibility is warranted, and thus amended the resolution by:

- (1) Adding a whereas clause noting that any entity receiving funds under any Elementary and Secondary Education Act program should fully comply with all federal civil rights laws; and
- (2) Adding a resolved clause requesting greater flexibility and accountability in the evaluation of a school’s compliance with NCLB.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 60, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 60, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

SCRep. 3317 Education on S.R. No. 28

The purpose of this measure is to request Congress to amend the No Child Left Behind Act of 2001 (NCLB) to include waivers to help states meet the requirements of the law, specifically, a waiver from deeming a school as failing based solely on participation rates, and to request sufficient funds to meet the mandates of the law.

Your Committee received testimony in support of the measure from the Department of Education, Hawaii State Teachers Association, and the Hawaii Government Employees Association.

Some debate centers on the need for additional accountability and flexibility in testing special education and limited English proficient students. The NCLB law has been criticized for identifying a school as “under-performing” based on the results of one subgroup, without consideration of the school’s overall performance.

Your Committee finds that the need for additional accountability and flexibility is warranted, and thus amended the resolution by:

- (1) Adding a whereas clause noting that any entity receiving funds under any Elementary and Secondary Education Act program should fully comply with all federal civil rights laws; and
- (2) Adding a resolved clause requesting greater flexibility and accountability in the evaluation of a school’s compliance with NCLB.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 28, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 28, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

SCRep. 3318 (Joint) Education and Judiciary and Hawaiian Affairs on S.C.R. No. 61

The purpose of this measure is to request the Auditor to conduct a fiscal audit of the Department of Education’s Hawaiian Studies Program, especially the kupuna component, to clarify why there are numerous inconsistencies in the delivery and implementation of the program.

Your Committees received testimony in support of the measure from the Office of Hawaiian Affairs, Hawaii State Teachers Association, Ka Lei Pāpahi `o Kākuhikewa, and six individuals. The Department of Education testified in opposition of the resolution.

The State constitution (Article X, section 4) mandates the instruction of Hawaiian language, culture, and history in the public schools through the use of community expertise. In 1984, to facilitate implementation of the mandate, the Office of Hawaiian Affairs developed a kupuna program to recruit and train potential kupuna to teach within the Department of Education, Hawaiian Studies Program. However, the Program is not available in all schools and kupuna are paid using inconsistent methods, among other irregularities. Therefore, your Committees find that sufficient irregularities exist within the Department of Education’s Hawaiian Studies Program to warrant a fiscal audit of the Program.

Your Committees have amended this measure by:

- (1) Adding a request to the Department of Education to conduct its own program audit to identify the concerns and issues regarding the delivery and implementation of the Hawaiian Studies Program; and

(2) Amending the title of the measure to reflect the Department of Education program audit.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 61, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 61, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (English, Fukunaga, Tsutsui).

SCRep. 3319 Education on S.C.R. No. 46

The purpose of this measure is to recognize the accomplishments of Pacific Resources for Education and Learning (PREL) in Hawaii and supporting its designation as an "Educational Service Agency".

Testimony in support of the measure was submitted by PREL and an individual.

To comply with the "No Child Left Behind" guidelines, the Hawaii State Legislature must certify a statewide educational service agency whose duties are to help equalize educational opportunities, meet the needs of schools, and support the efforts of the Hawaii State Board of Education. Your Committee finds that PREL's programs provide resources and products developed to promote educational excellence for children, youth, and adults, particularly in multicultural and multilingual environments. It also has strong established partnerships and networks designed to meet the educational needs of governments, communities, and business. As an educational service agency for the State, PREL will provide a clearinghouse for all schools in the State to exchange and gather ideas, funding mechanisms, and ways to promote student learning and accountability.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 46 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

SCRep. 3320 Labor on Gov. Msg. No. 153

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM (ERS)

G.M. No. 153 HENRY F. BEERMAN, for a term to expire 01-01-09,

HENRY F. BEERMAN is a graduate of Kamehameha Schools and holds a Bachelor of Arts degree in Political Science and a Juris Doctor from the University of Puget Sound. Mr. Beerman is a shareholder, director, and officer of Jim On & Beerman, A Law Corporation, and has specialized in insurance defense litigation for the past fifteen years. He currently serves as an arbitrator with the Court-Annexed Arbitration Program and has also served as an arbitrator with a private arbitration service. He has been in private practice since graduating from law school, initially focusing on commercial litigation, but also handling cases involving a wide range of subject areas including maritime, construction, products liability, environmental, employer liability, and other insurance related cases.

Mr. Beerman is admitted to practice law in the courts of the State of Hawaii, the United States District Court for the State of Hawaii, and the Ninth Circuit Court of Appeals. He is a member of the Hawaii Bar Association, the American Bar Association, and the Defense Research Institute. Mr. Beerman has also served as the President of the Maemae Elementary School Parent Teacher Association.

Testimony in support of the nominee was submitted by the Director of Budget and Finance, the Administrator of the Employees' Retirement System, the Hawaii Automobile Dealers' Association, and four private citizens.

Appointed to the Board of Trustees of the Employees' Retirement System on an interim basis in 2003, the nominee currently serves on the Board. During his tenure, the nominee has attended training on investments suitable for public retirement plans and has been involved in a consultant search and several manager searches.

Your Committee members diligently questioned the nominee regarding his vision and priorities for the Employees' Retirement System. The nominee demonstrated a commitment to proactively protect and improve the Employees' Retirement System. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 3321 Labor on Gov. Msg. No. 185

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES OF THE DEFERRED COMPENSATION PLAN

G.M. No. 185 SANDRA YAHIRO, for a term to expire 06-30-06,

Upon review of background information submitted by the nominee, your Committee finds that Sandra Yahiro has accumulated over twenty-five years of experience in the administration of deferred compensation and retirement plans. She currently serves as a personnel officer for the Department of Taxation, and has also served as a personnel program officer and a personnel management specialist VI and V for the Department of Human Resources Development, as well as a personnel director for Honolulu Community Action Program, Inc.

Testimony in support of the nominee was submitted by the Director of Budget and Finance, the Director of Human Resources Development, and the Employee Relations Division Chief of the Department of Human Resources Development.

Your Committee members diligently questioned the nominee regarding her vision and suggestions for improving the Deferred Compensation Plan. Your Committee believes that the nominee adequately responded to the Committee's inquiries. Accordingly, your Committee finds that the nominee's extensive knowledge of deferred compensation and retirement plans coupled with a strong commitment to public service continue to make her an asset to the Board of Trustees of the Deferred Compensation Plan.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 3322 Labor on Gov. Msg. Nos. 311, 312, 313, 314, 315, 316, 317, 318 and 319

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 311 TODD K. APO, for a term to expire 06-30-07;

G.M. No. 312 MARCIA A. ARMSTRONG, for a term to expire 06-30-07;

G.M. No. 313 MICHAEL FITZGERALD, for a term to expire 06-30-07;

G.M. No. 314 SIGNE A. GODFREY, for a term to expire 06-30-07;

G.M. No. 315 ERWIN HUDELIST, for a term to expire 06-30-07;

G.M. No. 316 WAYNE K. KANEMOTO, for a term to expire 06-30-05;

G.M. No. 317 STEVE B. METTER, for a term to expire 06-30-07;

G.M. No. 318 DARNNEY L. PROUDFOOT, for a term to expire 06-30-07; and

G.M. No. 319 GREGG T. YAMANAKA, for a term to expire 06-30-07,

TODD K. APO is a graduate of Kamehameha Schools, who holds a Bachelor of Arts in Economics and a Bachelor of Arts in Computer Science from Brown University, a Masters in Business Administration from the University of Hawaii, and a Juris Doctor from the William S. Richardson School of Law of the University of Hawaii. Mr. Apo is the Vice President of Corporate Operations for the Ko Olina Community Association. He has also served as a Real Estate Business Consultant, in-house counsel for a real estate development company, associate at private law firms, and law clerk to a Hawaii Supreme Court Justice. Over the years Mr. Apo has also served as a member of multiple boards for various corporations and community and professional organizations.

Testimony in support of Mr. Apo was submitted by the Department of Labor and Industrial Relations and ten individuals.

MARCIA A. ARMSTRONG is the Director of the Medical Laboratory Technician program at Kapiolani Community College. Ms. Armstrong holds a Bachelor of Science in Zoology from Ohio University, a Master of Science in Medical Laboratory Science from the University of Massachusetts, and an All But Dissertation degree in Education Administration from the University of Hawaii. She has served as an associate professor, an instructor, and a lecturer in the field of medical laboratory technicians, a supervisor of special chemistry, a technologist, and a research assistant for various colleges and hospitals. Ms. Armstrong has been honored as a member of the Hawaii Society for Clinical Laboratory Science, Phi Lambda Theta, as one of the Leaders for the Eighties by the American Association of Community and Junior Colleges, and with the Omicron Sigma by the American Society for Medical Technology.

Testimony in support of Ms. Armstrong was submitted by the Department of Labor and Industrial Relations and five individuals.

MICHAEL FITZGERALD is a graduate of Carroll College in Montana who holds a Bachelor of Arts in Political Science. Mr. Fitzgerald is the President and Chief Executive Officer of Enterprise Honolulu. He has held various positions within the business community and the governments of Washington and Montana. Mr. Fitzgerald is actively involved in the business community in Hawaii as a member of numerous organizations, and has throughout the years served on multiple boards and associations. He has also been honored by numerous organizations and has published several articles on the subject of economic development.

Testimony in support of Mr. Fitzgerald was submitted by the Department of Labor and Industrial Relations and four individuals.

SIGNE A. GODFREY is the President of Olsten Staffing Services. Ms. Godfrey has also served as a marketing representative, office manager, and executive secretary for various local businesses. She is actively involved in the community and participates as a member of the Rotary Club of Honolulu, the Hawaii Employers Council, Friends of Foster Kids, Plaza Club Board of Governors, and as the Republican District 26 Chairperson. She has also been honored as a Women in Business Advocate by the Small Business Association.

Testimony in support of Ms. Godfrey was submitted by the Department of Labor and Industrial Relations and fifteen individuals.

ERWIN HUDELIST is the President and General Manager of Hagadone Printing, Inc. Mr. Hudelist has held various positions within the printing industry beginning his career as a printing apprentice. He is an active member in the community, speaking at seminars and donating time and supplies to local theaters, charities, and schools. Mr. Hudelist has been honored by several organizations, including receiving Pele Awards from the American Advertising Federation, an Award of Service Excellence, an Environmental Award, Chief Executive Officer of the Year, and other awards for printing excellence.

Testimony in support of Mr. Hudelist was submitted by the Department of Labor and Industrial Relations and three individuals.

WAYNE K. KANEMOTO is a graduate of Iowa State University, where he earned a Bachelor of Science degree, and the University of Hawaii, where he earned a Master of Education degree as well as a Professional Teaching Certificate. Mr. Kanemoto is currently an educational consultant and has served as a teacher and principal for the Department of Education. He has been decorated for his service in the United States Army and is a member of the United States Army Reserves. Mr. Kanemoto remains actively involved in the community and is a member of the Hawaii County Workforce Investment Board.

Testimony in support of Mr. Kanemoto was submitted by the Department of Labor and Industrial Relations, the State Adjutant General, the Mayor of the County of Hawaii, the Hawaii County Workforce Investment Board, and two individuals.

STEVE B. METTER is a graduate of the University of California at Berkeley where he earned a Bachelor of Science in Social Science. Mr. Metter is the Principal and Chief Executive Officer of MW Group, Ltd., Real Estate Development. He has previously held various positions in the financial and real estate industries. He is also actively involved in community organizations, including the Fort Street Mall Business Improvement District Board of Directors, the Industrial Business Association, and the Urban Land Institute. Mr. Metter also offers his time and talents as a guest lecturer for university and graduate programs.

Testimony in support of Mr. Metter was submitted by the Department of Labor and Industrial Relations, the Representative for the 51st District, and five individuals.

DARNNEY L. PROUDFOOT is a graduate of the University of Hawaii where she earned a Bachelor of Arts in Fine Arts, and the University of Phoenix where she earned a Master's degree in Organization Management. Ms. Proudfoot is a certified professional in human resources and currently serves as the Vice President of Human Resources for Kauai Island Utility Cooperative. She has previously been employed in various capacities within the company's human resources department. Ms. Proudfoot is a member of the Society for Human Resources Management and also serves as a member of the Kauai County Workforce Investment Board as well as the Hawaii Workforce Council.

Testimony in support of Ms. Proudfoot was submitted by the Department of Labor and Industrial Relations, the Kauai County Workforce Investment Board, the Kauai Chamber of Commerce, and four individuals.

GREGG T. YAMANAKA holds a Bachelor of Arts degree from Stanford University and a Juris Doctor from the Hastings College of Law. Mr. Yamanaka is the President of TeraBiz, Director of the Hawaii Executive Conference, Co-Chair of the Prepaid Healthcare Act Work Group, the Chair of the Small Business/Big Heart Campaign of the Aloha United Way, and contributor to the YWCA Development Council. He is actively involved in the community through his involvement with Family Service America, Child & Family Service, Hawaii Executive Conference, the Honolulu Symphony, the Hawaiian Educational Council, the Hawaii Community Development Agency, and the Hawaii Real Estate Commission.

Testimony in support of Mr. Yamanaka was submitted by the Department of Labor and Industrial Relations, the ILWU Local 142, the Chamber of Commerce of Hawaii, CityBank, and thirteen individuals.

Your Committee members diligently questioned the nominees regarding their vision and priorities for the Workforce Development Council. The nominees demonstrated a commitment to change and a willingness to work together towards specific goals. Your Committee believes that the nominees adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 3323 (Joint/Majority) Labor and Transportation, Military Affairs, and Government Operations on S.C.R. No. 13

The purpose of this measure is to urge Hawaii's congressional delegation to ensure that for privatization construction contracts at military bases in Hawaii:

- (1) At least eighty percent of federal expenditures remain in Hawaii;
- (2) Rate-fixing and the piecework system do not act to circumvent the Davis-Bacon Act; and
- (3) Local contractors are not underbid by mainland firms.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, the Chamber of Commerce of Hawaii, the General Contractors Association of Hawaii, Plumbers and Fitters United Association Local 675, the Hawaii Operating Engineers Industry Stabilization Fund, and a private citizen.

The Residential Communities Initiative (RCI) is the Army's version of on-post family housing privatization, whereby the Army will transfer ownership and management responsibilities for on-post family housing to a private company who is responsible for family housing development, new construction, renovation, maintenance, and repair. The RCI project in Hawaii will signify the largest military expenditure for the hiring of local civilian labor, involving hundreds of millions of dollars in construction, design, and maintenance. Your Committees believe that efforts to ensure that federal expenditures are circulated locally will help to revitalize and grow Hawaii's economy. Therefore, your Committees find that every effort should be made to ensure that a major portion of federal expenditures for the RCI in Hawaii should be made to local construction firms and local workers.

Additionally, under the Davis-Bacon Act, the payment of prevailing wages for all workers employed by a contract on a federal works project is mandated in order to ensure that all contractors bidding on projects are competitive and that the local workers are paid fair wages. The practices of the piecework system and rate fixing could allow contractors or subcontracts to circumvent the Davis-Bacon Act, which will result in local workers being unjustly compensated. Although an objective of the RCI program is to promote and emphasize the use of local businesses, your Committees are concerned that local construction firms and workers be not only significantly utilized, but also fairly compensated.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 13 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Slom). Excused, 4 (Baker, Ihara, Menor, Sakamoto).

SCRep. 3324 (Joint/Majority) Labor and Transportation, Military Affairs, and Government Operations on S.R. No. 15

The purpose of this measure is to urge Hawaii's congressional delegation to ensure that for privatization construction contracts at military bases in Hawaii:

- (1) At least eighty percent of federal expenditures remain in Hawaii;
- (2) Rate-fixing and the piecework system do not act to circumvent the Davis-Bacon Act; and
- (3) Local contractors are not underbid by mainland firms.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, the Chamber of Commerce of Hawaii, the General Contractors Association of Hawaii, Plumbers and Fitters United Association Local 675, the Hawaii Operating Engineers Industry Stabilization Fund, and a private citizen.

The Residential Communities Initiative (RCI) is the Army's version of on-post family housing privatization, whereby the Army will transfer ownership and management responsibilities for on-post family housing to a private company who is responsible for family housing development, new construction, renovation, maintenance, and repair. The RCI project in Hawaii will signify the largest military expenditure for the hiring of local civilian labor, involving hundreds of millions of dollars in construction, design, and maintenance. Your Committees believe that efforts to ensure that federal expenditures are circulated locally will help to revitalize and grow Hawaii's economy. Therefore, your Committees find that every effort should be made to ensure that a major portion of federal expenditures for the RCI in Hawaii should be made to local construction firms and local workers.

Additionally, under the Davis-Bacon Act, the payment of prevailing wages for all workers employed by a contract on a federal works project is mandated in order to ensure that all contractors bidding on projects are competitive and that the local workers are paid fair wages. The practices of the piecework system and rate fixing could allow contractors or subcontracts to circumvent the Davis-Bacon Act, which will result in local workers being unjustly compensated. Although an objective of the RCI program is to promote and emphasize the use of local businesses, your Committees are concerned that local construction firms and workers be not only significantly utilized, but also fairly compensated.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 15 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Slom). Excused, 4 (Baker, Ihara, Menor, Sakamoto).

SCRep. 3325 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on S.C.R. No. 101

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism and the East-West Center to conduct and publish an inventory of international activities in Hawaii in order to aid business, government, and civic organizations in Hawaii.

Offering comments on the measure were the Department of Business, Economic Development, and Tourism and the East-West Center.

Your Committees find that this measure recognizes the importance of maintaining a centralized catalog system of international activities that is not only readily accessible, but also provides relevant and timely information to the public. This information, which encompasses trade, commerce, economic development, and cultural activities in Hawaii, is of particular interest to organizations and countries in the Pacific Rim as well as local businesses and residents.

Your Committees find that organizations currently provide information, on an ad hoc basis, to the Department of Business, Economic Development, and Tourism relating to international activities in Hawaii. However, the Department of Business, Economic Development, and Tourism testified that these organizations frequently request that this information be kept confidential, citing the privacy concerns expressed by the clients of these organizations over fears of receiving unsolicited contacts. As such, your Committees find that only those organizations that have communicated their consent to the Department of Business, Economic Development, and Tourism in disclosing this information to the public should be published on the state government's website.

Your Committees also find that the Department of Business, Economic Development, and Tourism and the East-West Center both expressed concerns regarding the lack of sufficient funding to conduct a thorough inventory of international programs and activities taking place in Hawaii.

Your Committees find that in order to defray the costs associated in compiling and maintaining this inventory, the Department of Business, Economic Development, and Tourism and the East-West Center are encouraged to solicit funding from a variety of sources, including federal grants as well as the private organizations that consent to having information listed on the state government website.

Your Committees have amended this measure by:

- (1) Recognizing that the Department of Business, Economic Development, and Tourism already maintains an ad hoc inventory of international activities that is provided to the Department by industry, economic development, and trade organizations;
- (2) Taking into consideration the privacy concerns raised by the Department of Business, Economic Development, and Tourism regarding the disclosure of this information and requesting that the Department only publish information that is consented to by these organizations; and
- (3) Requesting recommendations from the Department of Business, Economic Development, and Tourism on resources required to maintain and update this inventory.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 101, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 101, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (Baker, Ige, Ihara, Kanno, Menor).

SCRep. 3326 Health on S.C.R. No. 146

The purpose of this measure is to urge the Hawaii Health Systems Corporation (HHSC) and St. Francis Healthcare System to continue their partnership in serving the needs of dialysis patients in the Puna District of the Island of Hawaii by expanding its network of dialysis treatment facilities to the Keaau Family Center in the Puna District.

Testimony in support of this measure was received from HHSC, St. Francis Medical Center, two dialysis patients, and two hundred sixteen individuals who signed a petition.

Your Committee finds that kidney dialysis patients spend between three to five hours for each treatment session. On the Big Island, St. Francis is currently caring for one hundred twenty-five dialysis patients at the Hilo Medical Center. However, the dialysis patients who live in the Puna District travel thirty to forty miles to receive their dialysis treatment. Expanding dialysis treatment to the Puna District would ensure the provision of this life-saving service to its residents. Your Committee also encourages St. Francis to examine the expansion of dialysis treatment facilities in other areas of the Big Island.

Your Committee has amended this measure by adding a request that the Hawaii Health Systems Corporation and St. Francis Healthcare System conduct a needs assessment that will determine the cost and requirements of establishing a dialysis center in Puna, and by amending the title accordingly.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 146, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 146, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 3327 (Joint) Health and Energy and Environment on S.C.R. No. 183

The purpose of this measure is to request the Department of Health (DOH) to convene a dangerous mold working group to identify key issues regarding dangerous molds.

Testimony in support of this measure was received from the Department of Health, Hawaii Association of Realtors, Indoor Air Quality Association, Chelsea Group, Ltd., and the American Industrial Hygiene Association. Testimony in opposition was received from INALAB, Inc. and Architectural Diagnostics, Ltd. The Hawaii Insurers Council submitted comments.

Your Committees find that small amounts of mold growth in workplaces or homes, such as mildew on a shower curtain, are not major concerns. However, your Committees further find that large quantities of mold growth may cause nuisance odors and health problems for some people. Furthermore, mold can damage building materials and in some cases cause structural damage to wood. Mold is a problem in Hawaii due to the State's high humidity level, and poses a threat that should be investigated.

Your Committees have amended this measure by:

- (1) Deleting "dangerous" from "dangerous mold", including amending the title of the measure to reflect this;
- (2) Incorporating recommendations provided by the American Industrial Hygiene Association, which include:
 - (a) Using proper definitions of mold assessment and mold remediation;
 - (b) Setting permissible exposure limits to mold in indoor environments; and
 - (c) Having a certified industrial hygienist as part of the molds working group;
- (3) Deleting all references to articles from the New York Times; and
- (4) Including all groups requesting to be part of this molds working group.

As affirmed by the records of votes of the members of your Committees on Health and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 183, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 183, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Kanno, Hemmings, Hogue).

SCRep. 3328 (Joint) Health and Energy and Environment on S.R. No. 100

The purpose of this measure is to request the Department of Health (DOH) to convene a dangerous mold working group to identify key issues regarding dangerous molds.

Testimony in support of this measure was received from the Department of Health, Hawaii Association of Realtors, Indoor Air Quality Association, Chelsea Group, Ltd., and the American Industrial Hygiene Association. Testimony in opposition was received from INALAB, Inc. and Architectural Diagnostics, Ltd. The Hawaii Insurers Council submitted comments.

Your Committees find that small amounts of mold growth in workplaces or homes, such as mildew on a shower curtain, are not major concerns. However, your Committees further find that large quantities of mold growth may cause nuisance odors and health problems for some people. Furthermore, mold can damage building materials and in some cases cause structural damage to wood. Mold is a problem in Hawaii due to the State's high humidity level, and poses a threat that should be investigated.

Your Committees have amended this measure by:

- (1) Deleting "dangerous" from "dangerous mold", including amending the title of the measure to reflect this;
- (2) Incorporating recommendations provided by the American Industrial Hygiene Association, which include:
 - (a) Using proper definitions of mold assessment and mold remediation;
 - (b) Setting permissible exposure limits to mold in indoor environments; and

- (c) Having a certified industrial hygienist as part of the molds working group;
- (3) Deleting all references to articles from the New York Times; and
- (4) Including all groups requesting to be part of this molds working group.

As affirmed by the records of votes of the members of your Committees on Health and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 100, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 100, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Kanno, Hemmings, Hogue).

SCRep. 3329 (Joint) Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on S.C.R. No. 87

The purpose of this measure is to request the renaming of the Old Kona Airport State Recreation Area as the Kiyono Kunitake State Recreation Area.

Testimony in support of this measure was received from the Big Island Farm Bureau. Testimony in opposition was received from the Department of Land and Natural Resources (DLNR).

Mrs. Kiyono Kunitake, a lifelong resident of Kona, Hawaii, dedicated her life to preserving the rich heritage of the Kona community so that future generations could enjoy the special and unique qualities of Kona. One of Mrs. Kunitake's, and her husband Shigeo's, greatest accomplishments was the preservation of the pristine and beautiful old Kona Airport shoreline. Mrs. Kunitake's foresight and perseverance saved the old Kona Airport shoreline from plans that would have commercialized the area into another Waikiki, contrary to the wishes of the local community.

Your Committees find this measure to be a fitting tribute to Kiyono Kunitake for her dedicated and tireless efforts to preserve the Old Kona Airport area. Testimony from the DLNR indicates that members of the Kona community have expressed a desire to rename the Old Kona Airport with an appropriate Hawaiian name. Therefore, it has been suggested that a part of the Old Kona Airport be renamed in honor of Mrs. Kunitake.

Your Committees have amended this measure to substitute the transmittal of this measure to the Department of Land and Natural Resources, which has jurisdiction over the subject land, instead of the Department of Transportation.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 87, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 87, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Baker, English, Kanno, Menor).

SCRep. 3330 (Joint) Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on S.R. No. 44

The purpose of this measure is to request the renaming of the Old Kona Airport State Recreation Area as the Kiyono Kunitake State Recreation Area.

Testimony in support of this measure was received from the Big Island Farm Bureau. Testimony in opposition was received from the Department of Land and Natural Resources (DLNR).

Mrs. Kiyono Kunitake, a lifelong resident of Kona, Hawaii, dedicated her life to preserving the rich heritage of the Kona community so that future generations could enjoy the special and unique qualities of Kona. One of Mrs. Kunitake's, and her husband Shigeo's, greatest accomplishments was the preservation of the pristine and beautiful old Kona Airport shoreline. Mrs. Kunitake's foresight and perseverance saved the old Kona Airport shoreline from plans that would have commercialized the area into another Waikiki, contrary to the wishes of the local community.

Your Committees find this measure to be a fitting tribute to Kiyono Kunitake for her dedicated and tireless efforts to preserve the Old Kona Airport area. Testimony from the DLNR indicates that members of the Kona community have expressed a desire to rename the Old Kona Airport with an appropriate Hawaiian name. Therefore, it has been suggested that a part of the Old Kona Airport be renamed in honor of Mrs. Kunitake.

Your Committees have amended this measure to substitute the transmittal of this measure to the Department of Land and Natural Resources, which has jurisdiction over the subject land, instead of the Department of Transportation.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 44, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 44, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (Baker, English, Kanno, Menor).

SCRep. 3331 Transportation, Military Affairs, and Government Operations on S.C.R. No. 97

The purpose of this measure is to urge the President of the United States and the United States Congress to support passage of H.R. 3587 to benefit Filipino World War II veterans and their families.

Testimony in support of this measure was received from the Philippines Scouts Organization of Hawaii, Advocates for Consumer Rights, WWII Fil-AM Veterans, and nine individuals. Your Committee heard this measure together with S.C.R. No. 203 and S.R. 114, with the same testifiers for all measures.

This measure requests the President of the United States and the U.S. Congress to extend to the children of Filipino World War II veterans the same immigration and citizenship rights as extended to the veterans themselves by previous federal legislation. Without extension of such benefits, the sons and daughters living in the Philippines will continue to be separated from their parents, who live in Hawaii and are elderly and frail. Your Committee finds that Filipino veterans fought honorably for the United States in World War II and deserve this recognition for their loyalty and valor.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 97 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 3332 Transportation, Military Affairs, and Government Operations on S.R. No. 51

The purpose of this measure is to urge the President of the United States and the United States Congress to support passage of H.R. 3587 to benefit Filipino World War II veterans and their families.

Testimony in support of this measure was received from the Philippines Scouts Organization of Hawaii, Advocates for Consumer Rights, WWII Fil-AM Veterans, and nine individuals. Your Committee heard this measure together with S.C.R. No. 203 and S.R. 114, with the same testifiers for all measures.

This measure requests the President of the United States and the U.S. Congress to extend to the children of Filipino World War II veterans the same immigration and citizenship rights as extended to the veterans themselves by previous federal legislation. Without extension of such benefits, the sons and daughters living in the Philippines will continue to be separated from their parents, who live in Hawaii and are elderly and frail. Your Committee finds that Filipino veterans fought honorably for the United States in World War II and deserve this recognition for their loyalty and valor.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 51 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 3333 Transportation, Military Affairs, and Government Operations on S.C.R. No. 126

The purpose of this measure is to urge Congress to increase funding for veterans benefits and services and expressing disappointment in President George W. Bush's plans to reduce veterans benefits.

Testimony in support of this measure was received from the Advocates for Consumer Rights.

The federal Department of Veterans Affairs (VA) has begun efforts to halt enrolling new veterans into its health care system, citing a tight budget and overwhelming demand for services after opening their medical facilities to all veterans in 1998. A VA ban on newspaper ads and mailings to veterans encouraging their enrollment came at a time when approximately 300,000 veterans had been waiting for more than six months for an appointment at a VA medical facility, some waiting as long as two years for services. Although Congress is currently considering a bill to allocate funding to the VA in the sum of \$28.6 billion for the current fiscal year, this funding level is still not enough to help alleviate many of the medical plights facing our brave American service men and women.

Members of the armed forces faithfully and diligently serve the people of the United States and have fought and died in numerous wars and conflicts around the globe to protect the inalienable rights of life, liberty, and the pursuit of happiness for all Americans. Your Committee finds that the current lack of support for veterans is deplorable and intolerable.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 126 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 3334 Transportation, Military Affairs, and Government Operations on S.R. No. 64

The purpose of this measure is to urge Congress to increase funding for veterans benefits and services and expressing disappointment in President George W. Bush's plans to reduce veterans benefits.

Testimony in support of this measure was received from the Advocates for Consumer Rights.

The federal Department of Veterans Affairs (VA) has begun efforts to halt enrolling new veterans into its health care system, citing a tight budget and overwhelming demand for services after opening their medical facilities to all veterans in 1998. A VA ban on newspaper ads and mailings to veterans encouraging their enrollment came at a time when approximately 300,000 veterans had been waiting for more than six months for an appointment at a VA medical facility, some waiting as long as two years for services. Although Congress is currently considering a bill to allocate funding to the VA in the sum of \$28.6 billion for the current fiscal year, this funding level is still not enough to help alleviate many of the medical plights facing our brave American service men and women.

Members of the armed forces faithfully and diligently serve the people of the United States and have fought and died in numerous wars and conflicts around the globe to protect the inalienable rights of life, liberty, and the pursuit of happiness for all Americans. Your Committee finds that the current lack of support for veterans is deplorable and intolerable.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 64 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 3335 Transportation, Military Affairs, and Government Operations on S.C.R. No. 203

The purpose of this measure is to urge the United States Congress to support the passage of S. 68, relating to improving benefits for Filipino veterans of World War II.

Testimony in support of this measure was received from the Office of Veterans Services, Philippines Scouts Organization of Hawaii, WWII Fil-AM Veterans, and nine individuals. Your Committee heard this measure together with S.C.R. No. 97 and S.R. 51, with the same testifiers for all measures.

The passage of S. 68 would extend full and equitable benefits, particularly health benefits, that were previously withheld by the Rescission Act of 1946 which withdrew the U.S. veterans status for Filipino World War II soldiers. S. 68 would improve benefits for these veterans and their spouses by increasing the rate of payment of compensation benefits to certain Filipino veterans.

Testimony indicated that approximately 3,000 World War II Filipino veterans are residents of Hawaii. The health and well-being of these veterans are of great importance to the State. They are progressing in years and their medical expenses keep mounting while they are mostly on fixed incomes. In addition, your Committee finds that these Filipino veterans fought honorably for the United States in World War II and deserve this recognition for their loyalty and valor.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 203 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 3336 Transportation, Military Affairs, and Government Operations on S.R. No. 114

The purpose of this measure is to urge the United States Congress to support the passage of S. 68, relating to improving benefits for Filipino veterans of World War II.

Testimony in support of this measure was received from the Office of Veterans Services, Philippines Scouts Organization of Hawaii, WWII Fil-AM Veterans, and nine individuals. Your Committee heard this measure together with S.C.R. No. 97 and S.R. 51, with the same testifiers for all measures.

The passage of S. 68 would extend full and equitable benefits, particularly health benefits, that were previously withheld by the Rescission Act of 1946 which withdrew the U.S. veterans status for Filipino World War II soldiers. S. 68 would improve benefits for these veterans and their spouses by increasing the rate of payment of compensation benefits to certain Filipino veterans.

Testimony indicated that approximately 3,000 World War II Filipino veterans are residents of Hawaii. The health and well-being of these veterans are of great importance to the State. They are progressing in years and their medical expenses keep mounting while they are mostly on fixed incomes. In addition, your Committee finds that these Filipino veterans fought honorably for the United States in World War II and deserve this recognition for their loyalty and valor.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 114 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 3337 (Joint) Human Services and Health on S.C.R. No. 106

The purpose of this measure is to request the Department of Health and the Department of Human Services to work collaboratively to address the issue of prompt and timely payment to developmental disability providers.

Testimony in support of the measure was submitted by the State Council on Developmental Disabilities, Arc of Kauai, Alternative Care Services, Healthcare Association of Hawaii, Hawaii Psychiatric Medical Association, Arc in Hawaii, Goodwill Industries of Hawaii, and Easter Seals Hawaii. Comments were submitted by the Department of Health, Department of Human Services, and Affiliated Computer Services.

In October 2002, the Department of Human Services implemented a new computer billing system through Affiliated Computer Services. Since then the providers have been experiencing delays in receiving reimbursements for their services rendered. Some of these providers were considering closing or reducing necessary services due to the financial burden of the nonpayment. This measure is an attempt to encourage the departments to expedite a resolution to this issue.

Upon further consideration, your Committees have amended the measure to include the following:

- (1) Acknowledging that both departments are currently working to resolve this issue but further investigation into the problems is needed;
- (2) Adding tasks for the departments' immediate action, such as identifying specific problems with solutions to expedite the processing of claims on a timely basis;
- (3) Requesting the departments to submit a quarterly report beginning July 1, 2004;
- (4) Requesting the departments to submit a report of their findings and recommendations no later than June 30, 2004; and
- (5) Adding organizations to receive certified copies of this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 106, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 106, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Inouye, Hogue).

SCRep. 3338 (Joint) Human Services and Health on S.C.R. No. 54

The purpose of this measure is to provide the Legislature with verification that the expedited application processing policy recently implemented by the Department of Human Services for MedQuest applications received from pregnant women has made a satisfactory impact on the timely access to prenatal care by low income women.

Testimony in support of the measure was submitted by the March of Dimes, Healthy Babies Healthy Mothers, Waianae Coast Comprehensive Health Center, and an individual. Hawaii Primary Care Association submitted testimony in opposition. The Department of Human Services (department) submitted comments.

Your Committees find that national studies demonstrate that pregnant women without health insurance coverage are more likely to delay or go without needed medical care than women who have coverage. In an effort to reduce administrative barriers to prenatal care access, administrations throughout the country are implementing measures to streamline the eligibility process to state-administered insurance programs. In Hawaii, the department has provided an expedited processing of MedQuest applications received from pregnant women. While this application process is not a means to reducing bureaucratic barriers to prenatal access, it may serve Hawaii's needs without adding additional administrative burden on the department. The evaluation proposed by this concurrent resolution should provide an indication on whether this process is working.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 54 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Inouye, Hogue).

SCRep. 3339 Health on S.C.R. No. 76

The purpose of this measure is to request the Department of Health to establish a coordinated statewide effort to address fetal alcohol spectrum disorder (FASD).

Testimony in support of this measure was received from the Department of Health and Healthy Mothers, Healthy Babies Coalition of Hawaii.

FASD occurs in babies born to mothers who consumed alcohol while pregnant. Although Hawaii had only eighty-five reported diagnosed cases since 1986, there exists a much larger potential group of undiagnosed and untreated individuals of all ages statewide whose mothers drank alcohol while pregnant. The question is where these individuals are located and how they are being served. There is a need in our community for the establishment of a coordinated system of care and services of FASD, the most preventable cause of developmental disabilities.

Your Committee has amended this measure by:

- (1) Adding supplementary statistical information on FASD; and
- (2) Adding language focusing on education and early intervention services for FASD.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 76, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 76, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 3340 Health on S.R. No. 36

The purpose of this measure is to request the Department of Health to establish a coordinated statewide effort to address fetal alcohol spectrum disorder (FASD).

Testimony in support of this measure was received from the Department of Health and Healthy Mothers, Healthy Babies Coalition of Hawaii.

FASD occurs in babies born to mothers who consumed alcohol while pregnant. Although Hawaii had only eighty-five reported diagnosed cases since 1986, there exists a much larger potential group of undiagnosed and untreated individuals of all ages statewide whose mothers drank alcohol while pregnant. The question is where these individuals are located and how they are being served. There is a need in our community for the establishment of a coordinated system of care and services of FASD, the most preventable cause of developmental disabilities.

Your Committee has amended this measure by:

- (1) Adding supplementary statistical information on FASD; and
- (2) Adding language focusing on education and early intervention services for FASD.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 36, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 36, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 3341 (Joint) Water, Land, and Agriculture and Economic Development on S.C.R. No. 85

The purpose of this measure is to urge the Department of Land and Natural Resources and the Department of Agriculture to consider and incorporate the importance of economic factors and impacts in the application of laws and adoption of rules and policies concerning the conservation of forestry and agricultural resources.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Agriculture, and Hawaii Farm Bureau.

Your Committees find that many well-intentioned laws, rules, and policies are enacted or adopted which focus on the need for environmental preservation and conservation without recognizing the ability of proper resource management to provide the necessary stewardship by affected parties if suitable economic incentives are available. With all government agencies incurring budget constraints, the State should not ignore or overlook the willingness of private parties and industries to provide the stewardship if appropriate economic incentives are considered.

Your Committees further find that the State could benefit from cooperative and collaborative relationships with the private sector by creating a situation that will promote economic growth, provide additional sources of income for the State, and strengthen the regulation of the State's precious forestry, agricultural, and other natural resources.

Your Committees believe that consideration of economic as well as environmental factors and impacts in the application of laws and adoption of rules and policies concerning forestry and agricultural resources is critical for maintaining a balance in conserving those resources.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 85 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (English, Ige, Kanno, Kawamoto, Whalen).

SCRep. 3342 (Joint) Water, Land, and Agriculture and Economic Development on S.R. No. 42

The purpose of this measure is to urge the Department of Land and Natural Resources and the Department of Agriculture to consider and incorporate the importance of economic factors and impacts in the application of laws and adoption of rules and policies concerning the conservation of forestry and agricultural resources.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Agriculture, and Hawaii Farm Bureau.

Your Committees find that many well-intentioned laws, rules, and policies are enacted or adopted which focus on the need for environmental preservation and conservation without recognizing the ability of proper resource management to provide the necessary stewardship by affected parties if suitable economic incentives are available. With all government agencies incurring budget constraints, the State should not ignore or overlook the willingness of private parties and industries to provide the stewardship if appropriate economic incentives are considered.

Your Committees further find that the State could benefit from cooperative and collaborative relationships with the private sector by creating a situation that will promote economic growth, provide additional sources of income for the State, and strengthen the regulation of the State's precious forestry, agricultural, and other natural resources.

Your Committees believe that consideration of economic as well as environmental factors and impacts in the application of laws and adoption of rules and policies concerning forestry and agricultural resources is critical for maintaining a balance in conserving those resources.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 42 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (English, Ige, Kanno, Kawamoto, Whalen).

SCRep. 3343 Water, Land, and Agriculture on S.C.R. No. 187

The purpose of this measure is to request the Department of Land and Natural Resources to conduct a flood abatement study for the lands in the area of Heeia to Kahuku and to conduct a community-based information campaign in those areas to identify concerns, damages, and opportunities and to gather information for use in the study.

Testimony in support of the measure was submitted by Hawaiian Marine Enterprises. Testimony in opposition to the measure was submitted by the Chairperson of the Board of Land and Natural Resources.

Your Committee finds that the damage caused by recent heavy rains and flooding in the windward areas of Oahu have demonstrated an urgent need to examine flood abatement options in those areas. Your Committee also noted the statement by the Chairperson of the Board of Land and Natural Resources that the Kahuku Flood Control Study was currently funded and ongoing. Therefore, the Kahuku area need not be included in this measure.

Accordingly, your Committee amended this measure by limiting the area covered by the study to those lands between Heeia and Laie and amending the title accordingly; deleting the three recital paragraphs pertaining to the Kahuku Flood study and the Kahuku area; and deleting the request to the Governor to release funds for the Kahuku Flood study.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 187, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 187, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3344 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on S.C.R. No. 190

The purpose of this measure is to:

- (1) Request the City and County of Honolulu:
 - (A) To take further action to prevent illegal entry to the Haiku Stairs until the issue of permanent access is finally resolved; and
 - (B) In devising a permanent access route for the Haiku Stairs, to be mindful and sensitive to the needs of the surrounding neighborhoods as to issues of parking congestion, trespassing, and vandalism, and give direct participation to all interested parties in the development of any contingency plans for access to the Haiku Stairs; and
- (2) Request the Mayor of the City and County of Honolulu to disclose to the public the City's plans regarding the future of the Haiku Stairs and Haiku Valley.

Your Committees received comments from the Windward Ahupua`a Alliance.

Your Committees find that as part of the City and County of Honolulu's efforts to reopen the Haiku Stairs and Haiku Valley, which has been closed to the public since June 2002, the City and County appropriated \$2,500,000 to renovate and formulate a master plan to determine the feasibility of a nature preserve and park in this area.

Your Committees further find that although the Haiku Stairs have not been formally opened to the public, many neighboring property owners report that people repeatedly ignore warning signs and other security measures and constantly trespass over private property, causing property damage and harassing residents in the process of gaining access to the stairs. This measure requests the City and County of Honolulu to address these problems.

Your Committees have amended this measure to transmit a certified copy of this Concurrent Resolution to the Windward Ahupua`a Alliance.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 190, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 190, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Baker, English, Kanno).

SCRep. 3345 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on S.R. No. 104

The purpose of this measure is to:

- (1) Request the City and County of Honolulu:
 - (A) To take further action to prevent illegal entry to the Haiku Stairs until the issue of permanent access is finally resolved; and
 - (B) In devising a permanent access route for the Haiku Stairs, to be mindful and sensitive to the needs of the surrounding neighborhoods as to issues of parking congestion, trespassing, and vandalism, and give direct participation to all interested parties in the development of any contingency plans for access to the Haiku Stairs; and
- (2) Request the Mayor of the City and County of Honolulu to disclose to the public the City's plans regarding the future of the Haiku Stairs and Haiku Valley.

Your Committees received comments from the Windward Ahupua`a Alliance.

Your Committees find that as part of the City and County of Honolulu's efforts to reopen the Haiku Stairs and Haiku Valley, which has been closed to the public since June 2002, the City and County appropriated \$2,500,000 to renovate and formulate a master plan to determine the feasibility of a nature preserve and park in this area.

Your Committees further find that although the Haiku Stairs have not been formally opened to the public, many neighboring property owners report that people repeatedly ignore warning signs and other security measures and constantly trespass over private property, causing property damage and harassing residents in the process of gaining access to the stairs. This measure requests the City and County of Honolulu to address these problems.

Your Committees have amended this measure to transmit a certified copy of this Resolution to the Windward Ahupua`a Alliance.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 104, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 104, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Baker, English, Kanno).

SCRep. 3346 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on S.C.R. No. 212

The purpose of this measure is to request the federal government to conduct an evaluation of the condition of the Waikane Training Area, conduct a thorough clean-up as is technologically possible, conduct a post-clean-up environmental assessment evaluating the potential risks to human health and safety, return the area to the State of Hawaii upon completion of the clean-up, and appropriate sufficient funds to plan for, implement, and complete the rehabilitation and transfer of the Waikane Training Area.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs.

Thirty-three years ago, the United States Marine Corps obtained 187 acres in Waikane Valley, commonly referred to as the "Waikane Training Area," for military jungle and live ordnance training. The United States Marine Corps has announced its intention to close the Waikane Training Area, but as recently as last year, the United States Marine Corps has sought to use Waikane Valley for more military jungle training.

Your Committees find that Waikane Valley has served historically as an important agricultural area for the island of Oahu and contains precious archaeological and historic sites.

Your Committees further find that with sufficient funding from existing restoration programs or special appropriations from Congress, or both, the United States Navy and Marine Corps have the means to clean up the Waikane Training Area to a condition that is reasonably safe for certain restricted uses, provided long-term monitoring and guidelines are established.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 212 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Baker, English, Kanno).

SCRep. 3347 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on S.R. No. 123

The purpose of this measure is to request the federal government to conduct an evaluation of the condition of the Waikane Training Area, conduct a thorough clean-up as is technologically possible, conduct a post-clean-up environmental assessment evaluating the potential risks to human health and safety, return the area to the State of Hawaii upon completion of the clean-up, and appropriate sufficient funds to plan for, implement, and complete the rehabilitation and transfer of the Waikane Training Area.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs.

Thirty-three years ago, the United States Marine Corps obtained 187 acres in Waikane Valley, commonly referred to as the "Waikane Training Area," for military jungle and live ordnance training. The United States Marine Corps has announced its intention to close the Waikane Training Area, but as recently as last year, the United States Marine Corps has sought to use Waikane Valley for more military jungle training.

Your Committees find that Waikane Valley has served historically as an important agricultural area for the island of Oahu and contains precious archaeological and historic sites.

Your Committees further find that with sufficient funding from existing restoration programs or special appropriations from Congress, or both, the United States Navy and Marine Corps have the means to clean up the Waikane Training Area to a condition that is reasonably safe for certain restricted uses, provided long-term monitoring and guidelines are established.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 123 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Baker, English, Kanno).

SCRep. 3348 (Joint) Education and Judiciary and Hawaiian Affairs on S.C.R. No. 50

The purpose of this measure is to urge the Department of Education to ensure full compliance with that portion of the administrative rules that calls for "appropriate intervention and treatment services" for students excluded from school due to "possession of a dangerous weapon, switchblade knife, intoxicating liquor, or illicit drugs."

Your Committees received testimony in support of the measure from the Department of Education and Hawaii State Teachers Association.

Your Committees find that students excluded from school due to possession of a dangerous weapon, switchblade knife, intoxicating liquor, or illicit drugs should receive appropriate intervention and treatment services to correct anti-social and destructive behavior. Currently students who are removed from school are all too often left on their own, without direction, supervision, or any type of remedial guidance. Such students need to receive some types of services from their school or an appropriate agency to address the

causes of the dangerous and harmful behavior they have displayed. An effective alternative for dealing with these students and their problems needs to be implemented before such conduct becomes an even bigger problem in our schools.

Your Committees have amended the measure by:

- (1) Adding a paragraph reading “while the Department of Health currently funds substance abuse school-based treatment in thirty of forty-three public high schools and two of fifty-six middle schools, more intensive (i.e. residential) services would require additional resources”; and
- (2) Urging the Department of Education to ensure full compliance with that portion of the administrative rules within available resources, and amending the title accordingly.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 50, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 50, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Ihara, Tsutsui).

SCRep. 3349 (Joint/Majority) Education and Judiciary and Hawaiian Affairs on S.C.R. No. 71

The purpose of this measure is to request a study of the demographics and needs of gay, lesbian, and transgender youth of Hawaii.

Your Committees received testimony in support of the measure from the Department of Education, Hawaii Civil Rights Commission, Hawaii State Teachers Association, Hawaii Safe Schools Coalition, Gay and Lesbian Education and Advocacy Foundation, Social Justice council of the First Unitarian Church of Honolulu, Parents, Families and Friends of Lesbians and Gays-Oahu, Civil Unions – Civil Rights Movement, Lambda Aloha, American Friends Service Committee Gay Liberation Program, an associate professor of pediatrics at the University of Hawaii at Manoa, and three individuals.

Your Committees find that as the diversity of our student population increases we must be able to meet their educational needs by providing a safe, healthy learning environment. Teachers, as well as students, need to have the appropriate tools to meet the challenges created by the rapidly changing social and cultural environment in our schools.

Your Committees have amended the measure in light of the privacy provisions of the federal General Education Provisions Act which place clear restrictions on surveys that reveal information concerning a student’s sexual behavior and attitudes. The substantially amended measure no longer restricts the study to gay, lesbian, bisexual, and transgender youth but requests the Department of Education, in consultation with other parties, to determine the feasibility of a study of the demographics and needs of students who experience discrimination and harassment in public schools due to a range of causes, including sexual orientation, race, ethnicity, color, national origin, ancestry, sex, religion, or disability, and report back to the Legislature next session.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 71, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 71, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, 1 (Kawamoto). Excused, 2 (Ihara, Tsutsui).

SCRep. 3350 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.C.R. No. 86

The purpose of this measure is to request the Department of Education to work with the youth of the First Representative District and community agencies in the area to develop community-based youth programs.

Testimony in favor of the measure was submitted by the Department of Education and four individuals.

Your Committees find that support of community associations in developing youth activities in athletics and fine arts reinforces the values resulting in positive contributions to the community. Currently, the First Representative District is creatively working to develop and implement programs that can help reduce teen crime, drug and alcohol use, and pregnancy. The continued support of the State will allow them to further develop community-based programs that promote leadership skills, school spirit, high self-esteem, and reinforce positive values, including community-based leadership programs.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 86 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Kanno, Tsutsui, Whalen).

SCRep. 3351 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.R. No. 43

The purpose of this measure is to request the Department of Education to work with the youth of the First Representative District and community agencies in the area to develop community-based youth programs.

Testimony in favor of the measure was submitted by the Department of Education and four individuals.

Your Committees find that support of community associations in developing youth activities in athletics and fine arts reinforces the values resulting in positive contributions to the community. Currently, the First Representative District is creatively working to develop and implement programs that can help reduce teen crime, drug and alcohol use, and pregnancy. The continued support of the State will allow them to further develop community-based programs that promote leadership skills, school spirit, high self-esteem, and reinforce positive values, including community-based leadership programs.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 43 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Kanno, Tsutsui, Whalen).

SCRep. 3352 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.C.R. No. 91

The purpose of this measure is to request the Superintendent of Education to establish a task force to address problems faced by military impacted schools.

Your Committees received testimony in support of this measure from the Department of Education, Chamber of Commerce of Hawaii, and a public school principal.

The composition of the task force would include, but not be limited to, principals and vice-principals of each military impacted school, representatives of teachers, Parent Community Networking Centers, or school/community based management groups of each military impacted school, representatives of the transition centers in the Radford Complex schools, and representatives of the commanding officers of military installations.

Your Committees find that reallocation of public school teachers and administrative staff, resulting from annual changes in student enrollment, has resulted in disruptions in military impacted schools. Because staffing allocations are set on "count day," the possible gain or loss of teaching and administrative staff is problematic, causing students to move to new classes, or to different existing classes, which have negatively affected the learning process.

Your Committees further find that normal transfers, reassignments, and deployments of substantial military personnel stationed in Hawaii have also caused disruptions in military impacted schools. All of this movement affects students of military families and their nonmilitary classmates.

This measure seeks to address these problem by requesting the Superintendent of Education to form a task force with a mandate to consider specified measures and to report to the Legislature on findings and recommendations before the 2005 Regular Session.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 91 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Kanno, Tsutsui, Whalen).

SCRep. 3353 Education on S.C.R. No. 133

The purpose of this measure is to request the Board of Education (BOE) to review and revise policies to enlarge and expand regular opportunities in each district for members of the communities to participate meaningfully by expressing their ideas and support of important issues impacting educational advancement.

Testimony in support of this measure was received from the Board of Education.

Your Committee finds that many community members have expressed an increased desire to provide their input and feedback in the decisions affecting educational policy in their districts. An enhanced process and increased opportunities for community members to meet with their district board member would help provide valuable information to the Board member, enhancing the responsiveness and accountability of members of the BOE.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 133 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

SCRep. 3354 Education on S.R. No. 71

The purpose of this measure is to request the Board of Education (BOE) to review and revise policies to enlarge and expand regular opportunities in each district for members of the communities to participate meaningfully by expressing their ideas and support of important issues impacting educational advancement.

Testimony in support of this measure was received from the Board of Education.

Your Committee finds that many community members have expressed an increased desire to provide their input and feedback in the decisions affecting educational policy in their districts. An enhanced process and increased opportunities for community members to meet with their district board member would help provide valuable information to the Board member, enhancing the responsiveness and accountability of members of the BOE.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 71 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

SCRep. 3355 (Joint) Education and Health on S.C.R. No. 156

The purpose of this measure is to encourage the establishment of a college of pharmacy at the University of Hawaii at Hilo.

Your Committees received testimony in support of the measure from the Mayor of the County of Hawaii, Chancellor of the University of Hawaii at Hilo, Board of Pharmacy, Healthcare Association of Hawaii, Hawaii Medical Service Association, Hawaii Pacific Health, and Hawaii Pharmacists Association.

Your Committees find that there is a shortage of pharmacists throughout the nation, including Hawaii. This has a negative impact on the quality of health care. A college of pharmacy at the University of Hawaii could not only help address this shortage but have a positive economic impact on the State as well.

Your Committees have amended this measure by requesting the University of Hawaii at Hilo to submit a report on progress towards the establishment of a college of pharmacy at the University of Hawaii at Hilo to the Legislature no later than twenty days prior to the 2005 Regular Session.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 156, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 156, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Kawamoto, Kokubun, Tsutsui).

SCRep. 3356 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.C.R. No. 164

The purpose of this measure is to request the Department of Education to establish a student exchange program involving Hawaii public school students and Filipino students in provinces in the Republic of the Philippines that have established province-state relationships with Hawaii.

Testimony in support of the measure was received from the Ilocos Surian Association of Hawaii, the Congress of Visayan Organizations, and the Oahu Filipino Community Council. Offering comments on the measure was the Department of Education.

Your Committees find that this measure will strengthen the important historical and cultural ties between Hawaii and the Philippines. The proposed exchange program will also promote increased dialogue as well as foster greater understanding and a sense of respect between the young people of the United States and the Republic of the Philippines.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 164 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Kanno, Tsutsui, Whalen).

SCRep. 3357 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.R. No. 84

The purpose of this measure is to request the Department of Education to establish a student exchange program involving Hawaii public school students and Filipino students in provinces in the Republic of the Philippines that have established province-state relationships with Hawaii.

Testimony in support of the measure was received from the Ilocos Surian Association of Hawaii, the Congress of Visayan Organizations, and the Oahu Filipino Community Council. Offering comments on the measure was the Department of Education.

Your Committees find that this measure will strengthen the important historical and cultural ties between Hawaii and the Philippines. The proposed exchange program will also promote increased dialogue as well as foster greater understanding and a sense of respect between the young people of the United States and the Republic of the Philippines.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 84 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Kanno, Tsutsui, Whalen).

SCRep. 3358 (Joint) Education and Judiciary and Hawaiian Affairs on S.C.R. No. 198

The purpose of this measure is to request the Department of Education to explore the feasibility of establishing alternative schools or dropout centers for adolescents who suffer from drug addiction.

Your Committees received testimony in support of the measure from two individuals.

Your Committees find that alternative schools for adolescents who suffer from drug addiction provide regular high school courses, although all of the electives are based on the twelve-step program. They have been used successfully on the mainland and may be a valuable new means of keeping Hawaii's youth clean and sober, to ensure them a better chance of staying off drugs and succeeding in life.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 198 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Ihara, Menor, Sakamoto, Tsutsui).

SCRep. 3359 (Joint) Education and Judiciary and Hawaiian Affairs on S.R. No. 111

The purpose of this measure is to request the Department of Education to explore the feasibility of establishing alternative schools or dropout centers for adolescents who suffer from drug addiction.

Your Committees received testimony in support of the measure from two individuals.

Your Committees find that alternative schools for adolescents who suffer from drug addiction provide regular high school courses, although all of the electives are based on the twelve-step program. They have been used successfully on the mainland and may be a valuable new means of keeping Hawaii's youth clean and sober, to ensure them a better chance of staying off drugs and succeeding in life.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 111 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Ihara, Menor, Sakamoto, Tsutsui).

SCRep. 3360 Transportation, Military Affairs, and Government Operations on S.C.R. No. 10

The purpose of this measure is to request Congress to exempt Hawaii, Alaska, Guam, and Puerto Rico from the Jones Act for the health, safety, and security of its residents.

Prior to holding a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. In that form, it requests the Department of Transportation (DOT) to study and install a traffic signal light at the intersection of Kamehameha Highway and Kuala Street in Pearl City to alleviate traffic congestion and provide protection to nearby residents who frequently cross that intersection.

Testimony in support of the amended measure was received from the DOT.

The intersection in question is located near the "twin towers" condominiums in Pearl City, near the site of a future Walmart Store. Traffic at all times, particularly in the morning rush hour, backs up on Kuala Street, known as "spine road." This is a dangerous situation, particularly with a new Walmart store not far from that intersection. The DOT testified that it is familiar with this intersection and aware of the traffic problem and the potential increase in traffic due to the Walmart store.

Your Committee has amended this measure by adopting the changes proposed in the S.D. 1.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 10, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 10, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 3361 Transportation, Military Affairs, and Government Operations on S.C.R. No. 11

The purpose of this measure is to request the United States Congress to repeal the Passenger Services Act of 1886.

Prior to holding a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. In that form, it requests the Department of Accounting and General Services (DAGS) to design and erect an attractive and appropriate signage for the Korean Vietnam Veterans Memorial on the grounds of the State Capitol.

Testimony in support of this measure was received from DAGS.

The Korean Vietnam Veterans Memorial is a monument to those military personnel who lost their lives or are missing in action in the Korean and Vietnam wars. The Memorial is also an attraction for visitors to the State Capitol grounds. The Memorial deserves to have conspicuous dignified signage. Your Committee finds that testimony of the Comptroller indicated that DAGS will work closely with the Department of Defense and the Office of Veterans Services to coordinate signage efforts.

Your Committee has amended the measure by adopting the changes proposed in the S.D. 1.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 11, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 11, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

SCRep. 3362 Transportation, Military Affairs, and Government Operations on S.R. No. 7

The purpose of this measure is to request the United States Congress to repeal the Passenger Services Act of 1886.

Prior to holding a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. In that form, it requests the Department of Accounting and General Services (DAGS) to design and erect an attractive and appropriate signage for the Korean Vietnam Veterans Memorial on the grounds of the State Capitol.

Testimony in support of this measure was received from DAGS.

The Korean Vietnam Veterans Memorial is a monument to those military personnel who lost their lives or are missing in action in the Korean and Vietnam wars. The Memorial is also an attraction for visitors to the State Capitol grounds. The Memorial deserves to have conspicuous dignified signage. Your Committee finds that testimony of the Comptroller indicated that DAGS will work closely with the Department of Defense and the Office of Veterans Services to coordinate signage efforts.

Your Committee has amended the measure by adopting the changes proposed in the S.D. 1.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 7, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 7, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

SCRep. 3363 Transportation, Military Affairs, and Government Operations on S.C.R. No. 38

The purpose of this measure is to request the full Pledge of Allegiance be recited before the start of each Senate and House floor session.

Testimony in opposition to this measure was received from the Hawaiian Political Action Council of Hawaii and Molokai Advertiser News.

The Pledge of Allegiance has become one of the most preeminent symbols of American unity and serves as a collective public expression of patriotism for the United States of America. Your Committee determines that the Pledge of Allegiance should be recited by the Senate and House during its floor sessions in honor of American troops deployed overseas in Iraq and Afghanistan. This is a symbolic gesture that would mean a lot to our troops overseas, some of whom have not and may not come home.

Your Committee has amended this measure to request that the Pledge of Allegiance be recited on the first Session day of the week.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 38, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 38, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 3364 Transportation, Military Affairs, and Government Operations on S.R. No. 19

The purpose of this measure is to request the full Pledge of Allegiance be recited before the start of each Senate and House floor session.

Testimony in opposition to this measure was received from the Hawaiian Political Action Council of Hawaii and Molokai Advertiser News.

The Pledge of Allegiance has become one of the most preeminent symbols of American unity and serves as a collective public expression of patriotism for the United States of America. Your Committee determines that the Pledge of Allegiance should be recited by the Senate and House during its floor sessions in honor of American troops deployed overseas in Iraq and Afghanistan. This is a symbolic gesture that would mean a lot to our troops overseas, some of whom have not and may not come home.

Your Committee has amended this measure to request that the Pledge of Allegiance be recited on the first Session day of the week.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 19, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 19, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 3365 Commerce Consumer Protection and Housing on S.C.R. No. 99

The purpose of this measure is to request an extension of time for Poamoho Camp residents to remain in their homes in order to afford them additional time to resolve their housing situation.

Testimony in support of this measure was received from the Hawaii State AFL-CIO, Hawaii Government Employees Association, ILWU Local 142, Wahiawa Community and Business Association, Filipino Coalition for Solidarity, Poamoho Community Association, and individuals.

Poamoho Camp (Camp) is home to approximately three hundred Del Monte employees, retirees, and their families. The Camp sits on land leased to Del Monte on a month-to-month basis by the Galbraith Trust (Trust). Del Monte has informed the Trust that it does not intend to continue its lease beyond June 30, 2004, which means that the property must be returned to the landlord by this date in its original leased condition. This requires evicting the Camp's tenants and razing the Camp.

Your Committee finds that a June 30, 2004 deadline for residents to vacate and find affordable housing is unrealistic, and that the failure to extend additional time to Camp residents will displace dozens of families, including children and the elderly, and aggravate Hawaii's already serious homelessness problem. Your Committee further finds that negotiations are underway between the parties to resolve the housing situation. Therefore, this measure requests the lessee and landlord to permit Poamoho Camp residents to remain in their homes until December, 2005, to allow for sufficient time for completion of negotiations or for residents to secure affordable housing.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 99 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3366 Commerce Consumer Protection and Housing on S.R. No. 53

The purpose of this measure is to request an extension of time for Poamoho Camp residents to remain in their homes in order to afford them additional time to resolve their housing situation.

Testimony in support of this measure was received from the Hawaii State AFL-CIO, Hawaii Government Employees Association, ILWU Local 142, Wahiawa Community and Business Association, Filipino Coalition for Solidarity, Poamoho Community Association, and individuals.

Poamoho Camp (Camp) is home to approximately three hundred Del Monte employees, retirees, and their families. The Camp sits on land leased to Del Monte on a month-to-month basis by the Galbraith Trust (Trust). Del Monte has informed the Trust that it does not intend to continue its lease beyond June 30, 2004, which means that the property must be returned to the landlord by this date in its original leased condition. This requires evicting the Camp's tenants and razing the Camp.

Your Committee finds that a June 30, 2004 deadline for residents to vacate and find affordable housing is unrealistic, and that the failure to extend additional time to Camp residents will displace dozens of families, including children and the elderly, and aggravate Hawaii's already serious homelessness problem. Your Committee further finds that negotiations are underway between the parties to resolve the housing situation. Therefore, this measure requests the lessee and landlord to permit Poamoho Camp residents to remain in their homes until December, 2005, to allow for sufficient time for completion of negotiations or for residents to secure affordable housing.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 53 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3367 (Joint) Energy and Environment and Health on S.C.R. No. 161

The purpose of this measure is to request the Department of Health, in collaboration with other state and county agencies and area residents, to develop a joint implementation plan for waste treatment in Honokaa.

Testimony in support of this measure was received from Hotel Honokaa Club and an individual. The Department of Health supported the over-all concept, but offered comments about their concerns.

Your Committees find that waste treatment in Honokaa has become a concern within the community. Community members have identified many properties that must implement a non-cesspool alternative to waste treatment, including state properties under the Departments of Education, Human Services, Health, and Land and Natural Resources, and several county properties, including fire and police departments.

Residents and businesses in Honokaa have also expressed an interest in collaborating with the State and county to develop a community-wide solution to waste.

Your Committees have amended this measure to request Hawaii County, in collaboration with the Department of Land and Natural Resources, to develop a joint implementation plan for waste treatment in Honokaa.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 161, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 161, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Kanno, Hemmings, Hogue).

SCRep. 3368 (Joint) Energy and Environment and Health on S.C.R. No. 180

The purpose of this measure is to request the Department of Health to report on the backhaul of shipping materials and pallets by large "big box" retailers and wholesalers.

Your Committees received testimony in support of this measure from Hawaii Food Industry Association. Comments were received from the Department of Health.

Your Committees find that the State must focus on solid waste management issues in order to avert a health and environmental catastrophe. Recycling and all other current initiatives do not divert a sufficient amount of solid waste to meaningfully extend the life of the State's landfills.

Your Committees believe that large "big box" retailers and wholesalers are in the best position to absorb the cost of back hauling and should do their part in sending their packaging material back to the place of origin or to recycling centers.

Your Committees have amended this measure by requesting the Department of Health to work with the Hawaii Food Industry Association in determining the feasibility of this requirement.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 180, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 180, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Kanno, Hemmings, Hogue).

SCRep. 3369 (Joint) Energy and Environment and Health on S.R. No. 97

The purpose of this measure is to request the Department of Health to report on the backhaul of shipping materials and pallets by large "big box" retailers and wholesalers.

Your Committees received testimony in support of this measure from Hawaii Food Industry Association. Comments were received from the Department of Health.

Your Committees find that the State must focus on solid waste management issues in order to avert a health and environmental catastrophe. Recycling and all other current initiatives do not divert a sufficient amount of solid waste to meaningfully extend the life of the State's landfills.

Your Committees believe that large "big box" retailers and wholesalers are in the best position to absorb the cost of back hauling and should do their part in sending their packaging material back to the place of origin or to recycling centers.

Your Committees have amended this measure by requesting the Department of Health to work with the Hawaii Food Industry Association in determining the feasibility of this requirement.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 97, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 97, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Kanno, Hemmings, Hogue).

SCRep. 3370 Transportation, Military Affairs, and Government Operations on S.C.R. No. 181

The purpose of this measure is to request the Department of Transportation to develop flexible design guidelines for scenic highways.

Prior to holding a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. In that form, it recommends the long-term care Veterans Affairs State Home in Hilo be named in honor of Yukio Okutsu.

Testimony in support of this measure was received from the Office of Veterans Affairs, Big Island Veterans Association, and eleven individuals.

Mr. Yukio Okutsu of Hilo, who served in the 442nd Regimental Combat Team, is the recipient of the Congressional Medal of Honor, our nation's highest award for valor. Mr. Okutsu's action are representative of the distinguished service provided by all veterans who have served in our nation's military services.

Your Committee has amended this measure by adopting the changes in the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 181, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 181, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

SCRep. 3371 (Joint) Economic Development and Science, Arts, and Technology on S.C.R. No. 107

The purpose of this measure is to request the Hawaii Film and Television Development Board to formulate and implement a comprehensive strategy designed to promote and foster a strong and competitive digital media industry in Hawaii.

Testimony in opposition to the measure was received from the Department of Business, Economic Development, and Tourism.

Your Committees find that this measure recognizes the emergence of digital media productions, such as video and computer games, computer-based graphics and animation, and cellular phone related technologies as important catalysts for economic growth and economic diversification. Additionally, digital media related products generate significant amounts of revenue on an annual basis and recently surpassed the total amount of box office receipts earned by major film studios.

As a result of this growing diversification, there is legislation pending before the Legislature which proposes to rename the Film and Television Development Board and expand the membership of this Board to include members of Hawaii's digital media industry, as well as to amend the duties and responsibilities of this Board to include developing a vibrant and self-sustaining digital media industry in Hawaii to complement the ongoing initiatives in film and television productions currently taking place in Hawaii.

In addition, this proposed legislation also establishes a dedicated source of funding for the Board which will enable the Board to support various performing arts related projects in Hawaii, thereby diversifying Hawaii's economy as well as providing much needed work for Hawaii's talented performing arts community.

Your Committees also find that given the enormous economic potential of digital media productions, establishing and nurturing a vibrant and self-sustaining digital media industry in Hawaii can complement Hawaii's ongoing initiatives in film and television productions, thereby providing numerous high-paying jobs for Hawaii's talented and highly skilled workforce.

Your Committees have amended this measure to clarify that the components of the digital media industry include video and computer games, computer-based graphics and animation, and music technologies and applications.

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 107, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 107, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 4 (English, Ihara, Kawamoto, Hemmings).

SCRep. 3372 (Joint) Economic Development and Science, Arts, and Technology on S.R. No. 57

The purpose of this measure is to request the Hawaii Film and Television Development Board to formulate and implement a comprehensive strategy designed to promote and foster a strong and competitive digital media industry in Hawaii.

Testimony in opposition to the measure was received from the Department of Business, Economic Development, and Tourism.

Your Committees find that this measure recognizes the emergence of digital media productions, such as video and computer games, computer-based graphics and animation, and cellular phone related technologies as important catalysts for economic growth and economic diversification. Additionally, digital media related products generate significant amounts of revenue on an annual basis and recently surpassed the total amount of box office receipts earned by major film studios.

As a result of this growing diversification, there is legislation pending before the Legislature which proposes to rename the Film and Television Development Board and expand the membership of this Board to include members of Hawaii's digital media industry, as well as to amend the duties and responsibilities of this Board to include developing a vibrant and self-sustaining digital media industry in Hawaii to complement the ongoing initiatives in film and television productions currently taking place in Hawaii.

In addition, this proposed legislation also establishes a dedicated source of funding for the Board which will enable the Board to support various performing arts related projects in Hawaii, thereby diversifying Hawaii's economy as well as providing much needed work for Hawaii's talented performing arts community.

Your Committees also find that given the enormous economic potential of digital media productions, establishing and nurturing a vibrant and self-sustaining digital media industry in Hawaii can complement Hawaii's ongoing initiatives in film and television productions, thereby providing numerous high-paying jobs for Hawaii's talented and highly skilled workforce.

Your Committees have amended this measure to clarify that the components of the digital media industry include video and computer games, computer-based graphics and animation, and music technologies and applications.

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 57, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 57, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 4 (English, Ihara, Kawamoto, Hemmings).

SCRep. 3373 Labor on S.C.R. No. 127

The purpose of this measure is to request the Auditor to conduct a management audit of the Unemployment Insurance Division and the Employment Security Appeals Referees' Office of the Department of Labor and Industrial Relations.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. The purpose of the proposed S.D. 1 is to request the Hawaii congressional delegation to urge the United States Congress to amend the Workforce Investment Act of 1998 to allow for increased funding to specified areas and provide increased services for individuals living at or below the living wage standard.

Testimony in support of the proposed S.D. 1 was submitted by the Department of Community Services of the City and County of Honolulu and the ILWU Local 142.

The National Association of Social Workers, Hawaii Chapter submitted comments on the measure, wherein it requested that the contents of the measure be replaced with language requesting the Department of Human Resources Development (DHRD) to delay implementation of the elimination of the social work series.

Your Committee finds that Hawaii is in the midst of a social worker shortage which has and will continue to result in the denial of the provision of social services or the provision of services by lesser qualified individuals. The shortage of social workers within the State is attributed to a lack of interest in social work, as well as low pay scales for social workers, particularly for government social workers. In 2003, in an effort to address the issues of the proper classification of civil service positions, the increasing demand for human services, the finite number of social workers within the State, and a lack of alternative occupational options to meet the demand, DHRD conducted a study on the occupation of social work. As a result of that study, DHRD determined that the social worker series of positions should be eliminated and replaced with reclassified positions entitled human services professionals, child protective specialists, adult protective specialists, clinical social workers, or probation officers, effective May 1, 2004.

Your Committee determines that DHRD conducted this study without the benefit of input from the Hawaii Chapter of the National Association of Social Workers or the Schools of Social Work of the University of Hawaii, Brigham Young University at Hawaii, and Hawaii Pacific University. Your Committee is concerned by the accelerated nature of the implementation of the reclassification, in light of the lack of input from the foregoing educational and training authorities within the State. Therefore, your Committee believes that the reclassification should be delayed at least until the reclassification plan and its ramifications have been reviewed and analyzed by all of the interested parties.

Accordingly, your Committee considered the need for amendments to the Workforce Investment Act of 1998 and determined that, although important, the same result could be achieved by other means. Instead, your Committee finds that this measure should be utilized as a vehicle for addressing a more pressing issue regarding the reclassification of social worker positions within the State.

Your Committee has amended this measure by deleting its contents and replacing it with language that:

- (1) Requests that DHRD delay implementation of the elimination of the social work series until examination, consultation, and coordination by the Hawaii Chapter of the National Association of Social Workers and the Schools of Social Work of the University of Hawaii, Brigham Young University at Hawaii, and Hawaii Pacific University; and
- (2) Provides for the consideration of input from the Departments of Education, Health, Human Services, and Public Safety, or any other affected department or agency, with regard to the reclassification of social worker positions.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 127, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 127, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Taniguchi).

SCRep. 3374 Education on S.C.R. No. 62

The purpose of this measure is to request the Department of Education to conduct a survey that compiles important information from each charter school in the State in order to properly determine its function, location, enrollment, staff size, student size, operating and maintenance costs, physical condition, current status, and projected future needs.

Testimony in support of the measure was received from the Department of Education.

Your Committee finds that this measure is designed to assist the Legislature in determining the proper amount of resources that each individual charter school requires in order to properly educate Hawaii's children. This measure requests a survey of all charter schools in Hawaii, focusing on expected changes in enrollment, annual operating costs, facilities needs of charter schools, and the physical condition of these schools. This information will enable the Legislature to undertake proper planning in meeting the future needs of each charter school.

Your Committee has amended this measure by designating the Charter School Administrative Office, in place of the Department of Education, as the state agency responsible for conducting this survey and gathering this vital information. Current charter school law authorizes the Executive Director of the Charter School Administrative Office to collect this information as part of the statutorily prescribed duties of this office.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 62, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 62, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

SCRep. 3375 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.C.R. No. 65

The purpose of this measure is to urge all institutions of higher education in the State to refund or provide reimbursement for tuition for students who are members of the Hawaii National Guard or military reserves who are deployed while in school.

Testimony in support of this measure was received from the University of Hawaii and The Chamber of Commerce of Hawaii.

Your Committees find that when students enrolled at institutions of higher education who are members of the Hawaii National Guard or military reserves are ordered to active duty, they may experience financial hardship by forfeiting tuition that they have paid for, yet are unable to use.

Your Committees believe that institutions of higher education in Hawaii should support their fellow citizens, who proudly serve in the National Guard or military reserve, as these volunteers are deployed to carry out their appointed duties. This measure represents compassion for the circumstances they face.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 65 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Kanno, Tsutsui, Whalen).

SCRep. 3376 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.R. No. 30

The purpose of this measure is to urge all institutions of higher education in the State to refund or provide reimbursement for tuition for students who are members of the Hawaii National Guard or military reserves who are deployed while in school.

Testimony in support of this measure was received from the University of Hawaii and The Chamber of Commerce of Hawaii.

Your Committees find that when students enrolled at institutions of higher education who are members of the Hawaii National Guard or military reserves are ordered to active duty, they may experience financial hardship by forfeiting tuition that they have paid for, yet are unable to use.

Your Committees believe that institutions of higher education in Hawaii should support their fellow citizens, who proudly serve in the National Guard or military reserve, as these volunteers are deployed to carry out their appointed duties. This measure represents compassion for the circumstances they face.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 30 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Kanno, Tsutsui, Whalen).

SCRep. 3377 Education on S.R. No. 113

The purpose of this measure is to request the Auditor to conduct a management and effectiveness audit of programs to recruit and retain Hawaiian students at the University of Hawaii and to establish a baseline for evaluation of improvement in programming in the future.

This measure also requests the Chancellor of the University of Hawaii at Manoa to form a task force to evaluate the results of the audit and plan for the improvement of services to recruit and retain Hawaiian students.

Your Committee received testimony in support of the measure from the University of Hawaii, the Chancellor of the University of Hawaii at Manoa, the Office of Hawaiian Affairs, and two individuals.

Your Committee finds that Hawaiian students continue to be underrepresented at the University of Hawaii. While Hawaiians represent twenty-seven percent of students in public schools across the State, less than ten percent of the students at the University are identified as Hawaiian or Part Hawaiian.

Numerous Hawaiian advocacy groups, agencies, and non-profits have long supported the education of Hawaiians, believing it to be one of the best hopes for the improvement of the social and economic conditions endured by Hawaiians and the survival of the host culture of this State.

In order to track programmatic funding and the effectiveness of current and new programs, appropriate means of measurement and a baseline must be established. Your Committee believes in the advancement of the Hawaiian people and the University of Hawaii, and is committed to increasing support for the education of Hawaiians.

Your Committee has amended the measure to clarify the reference to the University of Hawaii at Manoa, and to add a reference to the Financially Needy Native Hawaiian tuition waiver category and to state that over 1,000 Native Hawaiians systemwide received tuition waivers.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 113, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.R. No. 113, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

SCRep. 3378 Health on S.C.R. No. 95

The purpose of this measure is to request the Department of Health to adopt rules to allow private pay patients to receive day continuing services, including mental health treatment and psychosocial rehabilitation services on a voluntary basis or on a graduated fee schedule.

Testimony in support of this measure was received from the Department of Health and the National Alliance for the Mentally Ill-Oahu.

Your Committee finds that there is a gap group of severely mentally ill individuals who currently do not have or require active case management through the Adult Mental Health Division and who are receiving psychiatric services from private providers, but who wish instead to receive a fuller range of services offered to clients of the Department of Health. These private pay patients should be able to pay to receive day continuing services in full or on a graduated fee basis.

Your Committee has amended this measure by:

- (1) Requesting that the Department of Health convene a task force to explore the continuance of mental health services and the availability of community wrap around services for private pay clients, and amending the title of the measure accordingly;
- (2) Requesting the task force to report its findings to the Legislature; and

- (3) Transmitting a copy of this measure to the members of the task force, including the National Alliance of the Mentally Ill-Oahu.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 95, as amended herein, and recommends that it be referred to the Committee on Commerce, Consumer Protection and Housing, in the form attached hereto as S.C.R. No. 95, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 3379 Health on S.R. No. 49

The purpose of this measure is to request the Department of Health to adopt rules to allow private pay patients to receive day continuing services, including mental health treatment and psychosocial rehabilitation services on a voluntary basis or on a graduated fee schedule.

Testimony in support of this measure was received from the Department of Health and the National Alliance for the Mentally Ill-Oahu.

Your Committee finds that there is a gap group of severely mentally ill individuals who currently do not have or require active case management through the Adult Mental Health Division and who are receiving psychiatric services from private providers, but who wish instead to receive a fuller range of services offered to clients of the Department of Health. These private pay patients should be able to pay to receive day continuing services in full or on a graduated fee basis.

Your Committee has amended this measure by:

- (1) Requesting that the Department of Health convene a task force to explore the continuance of mental health services and the availability of community wrap around services for private pay clients, and amending the title of the measure accordingly;
- (2) Requesting the task force to report its findings to the Legislature; and
- (3) Transmitting a copy of this measure to the members of the task force, including the National Alliance of the Mentally Ill-Oahu.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 49, as amended herein, and recommends that it be referred to the Committee on Commerce, Consumer Protection and Housing, in the form attached hereto as S.R. No. 49, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 3380 Judiciary and Hawaiian Affairs on Gov. Msg. No. 421

Recommending that the Senate advise and consent to the nomination of the following:

CIRCUIT COURT OF THE FIRST CIRCUIT, 21ST DIVISION

G.M. No. 421 BERT I. AYABE, for a term of ten years,

Upon review of the résumé, application for judicial office, letter from the nominee dated April 5, 2004, and testimony, your Committee finds that Bert I. Ayabe graduated with a BA degree from the University of Hawaii. He also received a JD degree from Hastings College of Law. The nominee is admitted to practice law in both Hawaii and California. He has been in private practice since 1981 and has worked as an associate attorney at Kobayashi Watanabe Sugita & Goda, Bollington Stiltz & Bloeser, and Kim Sterns Lines & Moore; as a partner at Hisaka Furusho Ayabe & Goto; and as a solo practitioner. The nominee is currently a District Court judge.

Testimony was submitted by the Hawaii State Bar Association (HSBA), Office of the Public Defender, Department of the Prosecuting Attorney for the City and County of the Prosecuting Attorney, Occidental Underwriters, thirty-five attorneys, and fourteen individuals.

The Board of Directors of the HSBA has found the nominee to be highly qualified to serve as a judge in the Circuit Court of the First Circuit. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate is asked to submit a resume, respond to a questionnaire, and to appear before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination. Your Committee further finds that the nominee's experience in the District Court will serve him well in a position on the Circuit Court bench.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3381 Judiciary and Hawaiian Affairs on Gov. Msg. No. 422

Recommending that the Senate advise and consent to the nomination of the following:

INTERMEDIATE COURT OF APPEALS, ASSOCIATE JUDGE

G.M. No. 422 ALEXA D.M. FUJISE, for a term of ten years,

Upon review of the résumé, application for judicial office, letter from the nominee dated April 4, 2004, and testimony, your Committee finds that Alexa D. M. Fujise graduated with a BA degree from the University of Hawaii and a JD degree from the William S. Richardson School of Law. The nominee is a member of the Hawaii State Bar. She was a clerk for Associate Justice Herman Lum and an assistant counsel at the Office of Disciplinary Counsel. Since 1984, the nominee has worked at the Department of the Prosecuting Attorney for the City and County of Honolulu. For those twenty years, the nominee was a Deputy Prosecuting Attorney for six years, Appellate/Research Branch Chief for eight years, and Division Director for the Research and Reference Support Division for six years.

Testimony was submitted by the Hawaii State Bar Association (HSBA), Department of the Attorney General, Office of the Public Defender, Department of the Prosecuting Attorney for the City and County of Honolulu, forty-six attorneys, and twenty-three individuals. Comments were also submitted by one individual.

The Board of Directors of the HSBA has found the nominee to be qualified to serve as an Associate Judge for the Intermediate Court of Appeals. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate is asked to submit a resume, respond to a questionnaire, and to appear before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination. Your Committee finds that her substantial and impressive tenure practicing and supervising appellate work will support her transition to this position.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3382 (Joint) Economic Development and Education on S.C.R. No. 26

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism, other designated state agencies, and interested members of the public to convene a meeting for the purpose of discussing the establishment of an international animation film festival in Hawaii.

Testimony in support of this measure was received from the Hawaii International Film Festival. Offering comments on the measure was the Department of Business, Economic Development, and Tourism.

Your Committees find that there are very few animation film festivals in the world presently and that Hawaii stands poised to take a leadership role in the establishment of a world class animation film festival. The proposed animation film festival will not only attract interest from Asia and the Pacific Rim, where animated films are extremely popular, but also provide an important forum for Hawaii's talented filmmakers to showcase their work as well as make important contacts with non-local filmmakers and producers. Your Committees further find that animation is a key element in the development of a strong and vibrant digital media industry in Hawaii. Animation encompasses a broad spectrum of digital media products, including computer graphics, video and computer game design, and animated films. The growing importance of this genre is evident in the growth of animation departments in film schools across the nation, including the University of Hawaii's Academy for Creative Media.

Your Committees have amended this measure by:

- (1) Requesting the Department of Business, Economic Development, and Tourism, in place of the State Film Office, convene this meeting with all interested parties to discuss the development of an international animation film festival in Hawaii; and
- (2) Including the Hawaii Tourism Authority as well as representatives from the Hawaii Film Festival, the Maui Film Festival, the Cinema Paradise, and the Hawaii Student Film Festival to participate in this meeting discussing the establishment of an international animation film festival in Hawaii.

As affirmed by the records of votes of the members of your Committees on Economic Development and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 26, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 26, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Ihara, Kanno, Tsutsui, Hogue, Trimble).

SCRep. 3383 (Joint) Economic Development and Education on S.R. No. 13

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism, other designated state agencies, and interested members of the public to convene a meeting for the purpose of discussing the establishment of an international animation film festival in Hawaii.

Testimony in support of this measure was received from the Hawaii International Film Festival. Offering comments on the measure was the Department of Business, Economic Development, and Tourism.

Your Committees find that there are very few animation film festivals in the world presently and that Hawaii stands poised to take a leadership role in the establishment of a world class animation film festival. The proposed animation film festival will not only attract interest from Asia and the Pacific Rim, where animated films are extremely popular, but also provide an important forum for Hawaii's talented filmmakers to showcase their work as well as make important contacts with non-local filmmakers and producers. Your Committees further find that animation is a key element in the development of a strong and vibrant digital media industry in Hawaii. Animation encompasses a broad spectrum of digital media products, including computer graphics, video and computer game design, and animated films. The growing importance of this genre is evident in the growth of animation departments in film schools across the nation, including the University of Hawaii's Academy for Creative Media.

Your Committees have amended this measure by:

- (1) Requesting the Department of Business, Economic Development, and Tourism, in place of the State Film Office, convene this meeting with all interested parties to discuss the development of an international animation film festival in Hawaii; and
- (2) Including the Hawaii Tourism Authority as well as representatives from the Hawaii Film Festival, the Maui Film Festival, the Cinema Paradise, and the Hawaii Student Film Festival to participate in this meeting discussing the establishment of an international animation film festival in Hawaii.

As affirmed by the records of votes of the members of your Committees on Economic Development and Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 13, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 13, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Ihara, Kanno, Tsutsui, Hogue, Trimble).

SCRep. 3384 (Joint) Judiciary and Hawaiian Affairs, Human Services and Transportation, Military Affairs, and Government Operations on S.C.R. No. 82

The purpose of this measure is to convene a task force to study and determine whether there should be amendments to current child support laws for activated military personnel.

Comments were received from the Judiciary.

Your Committees find that when income from activated military personnel decreases substantially, their child support payments are not automatically decreased, regardless of their decrease in pay. Your Committees further find that with the decrease in pay and child support payment amounts remaining the same, many of the activated military personnel's current families have less to live on while families from previous relationships continue living without any of the hardships from the decrease in pay.

Your Committees have amended this measure to include the Commander, U.S. Pacific Command, or any of the listed recipient's designees as recipients of certified copies of this Concurrent Resolution.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Human Services and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 82, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 82, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 7 (English, Hooser, Ige, Kanno, Menor, Tsutsui, Whalen).

SCRep. 3385 (Joint) Judiciary and Hawaiian Affairs, Human Services and Transportation, Military Affairs, and Government Operations on S.R. No. 41

The purpose of this measure is to convene a task force to study and determine whether there should be amendments to current child support laws for activated military personnel.

Comments were received from the Judiciary.

Your Committees find that when income from activated military personnel decreases substantially, their child support payments are not automatically decreased, regardless of their decrease in pay. Your Committees further find that with the decrease in pay and child support payment amounts remaining the same, many of the activated military personnel's current families have less to live on while families from previous relationships continue living without any of the hardships from the decrease in pay.

Your Committees have amended this measure to include the Commander, U.S. Pacific Command, or any of the listed recipient's designees as recipients of certified copies of this Resolution.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Human Services and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 41, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 41, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 7 (English, Hooser, Ige, Kanno, Menor, Tsutsui, Whalen).

SCRep. 3386 Judiciary and Hawaiian Affairs on S.C.R. No. 153

The purpose of this measure is to establish a judiciary work group to evaluate and recommend methods to streamline court-ordered forensic evaluations and to deliver appropriate mental health treatment to pretrial detainees.

Testimony in support of this measure was submitted by Hawaii Disability Rights Center and HGEA. Comments were submitted by the Judiciary and the Department of Health.

Your Committee finds that there are many situations in which pretrial detainees are subject to a court-ordered forensic examination for mental evaluations. The detainees are held in prison for an average of eighty-four days from the time the court orders the evaluation to the ruling of the individual's fitness to proceed.

For many pretrial detainees charged with misdemeanor offenses, the delay associated with waiting for a court-ordered forensic examination could incarcerate individuals far longer than if they were convicted of the crime charged.

Your Committee understands that there is a legitimate struggle between addressing an individual's mental disabilities and the efficient administration of the criminal justice process. However, your Committee believes that individuals with mental disabilities could greatly benefit by evaluating and establishing a reasonable time frame for the mental evaluation process. Your Committee further believes that pretrial detainees suspected of mental illnesses should be promptly evaluated and, if necessary, should receive the appropriate mental health treatment within a reasonable time period.

Your Committee noted concerns raised by the Department of Health; however, your Committee is moving this measure forward to facilitate further discussion and consideration.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 153 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3387 Judiciary and Hawaiian Affairs on S.C.R. No. 154

The purpose of this measure is to request the Auditor to conduct an audit of the Diamondback Correctional Facility.

Testimony in support of this measure was submitted by the Native Hawaiian Legal Corporation. Comments were also submitted by the Department of Public Safety.

Your Committee finds that because of overcrowding in Hawaii's correctional facilities, the Legislature funded the transfer of Hawaii inmates to various private correctional institutions on the mainland. In 2001, the Department of Public Safety contracted with three facilities in two states to house some of Hawaii's male inmates. The Diamondback Correctional Facility in Watonga, Oklahoma was one of the three facilities.

Recently, some concerns have been raised regarding the prices of items at the Diamondback Correctional Facility's commissary. Specifically, there are concerns about the misappropriation of commissary funds. These concerns have been raised to Hawaii's contract monitors; however, it appears that none of these concerns are being addressed. Thus, your Committee requests the Auditor to conduct an audit of the contract between the Department of Public Safety and the Diamondback Correctional Facility, including but not limited to its commissary operations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 154 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3388 Judiciary and Hawaiian Affairs on S.C.R. No. 159

The purpose of this measure is to request an audit of the University of Hawai'i's (UH) efforts to recruit and retain Hawaiian students at UH, use that audit as a baseline, and evaluate the results and implement a plan to improve the enrollment of Hawaiian students.

Testimony in support of this measure was submitted by UH, Office of Hawaiian Affairs, Ka Lahui Hawaii Political Action Committee, and three individuals.

Your Committee finds that although children of Hawaiian ancestry represent twenty-seven percent of students in public schools, less than ten percent of the students attending UH are of Hawaiian ancestry. In its ninety-seventh year, UH's student body has grown and changed dramatically; however, one fact remains the same: Hawaiians continue to be underrepresented at UH.

Your Committee finds that both the Legislature and UH are committed to increasing support for the education of Hawaiians, and moneys have been allotted for programs to do so. However, your Committee believes that in order to ensure the success of these programs and to efficiently plan, implement, track, and improve strategic efforts to increase Hawaiian student enrollment, the plan must be linked to measurable outcomes.

Your Committee has amended this measure by:

- (1) Adopting the amendment suggested by the University of Hawaii to establish more than one task force to evaluate the results of the audit and plan for the improvement of services to recruit and retain Hawaiian students;
- (2) Adopting the amendments suggested by the Office of Hawaiian Affairs to change all references to "Hawaiians" and "Part Hawaiians" to "native Hawaiians" and "Hawaiians";
- (3) Amending the title to reflect the changes made in paragraphs (1) and (2); and
- (4) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 159, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 159, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3389 Judiciary and Hawaiian Affairs on S.C.R. No. 167

The purpose of this measure is to recognize Native Hawaiians as traditional, indigenous-knowledge holders and to recognize their collective intellectual property rights.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, 'Ewa-Pu'uloa Hawaiian Civic Club, Ka Lahui Hawaii Political Action Committee, King Kamehameha Hawaiian Civic Club, Native Hawaiian Legal Corporation, Queen Emma Hawaiian Civic Club, Waikiki Hawaiian Civic Club, and two individuals.

Your Committee recognizes that the Native Hawaiian people have collective intellectual property rights that are based upon the traditional, cultural knowledge developed over thousands of years and passed down from generation to generation.

The value of Native Hawaiian traditional knowledge is exhibited in many forms, including through natural resource management principles, such as malama 'aina and the ahupua'a system, agricultural systems such as lo'i and loko i'a, la'au lapa'au, and ka ho'okele.

The value of Native Hawaiian cultural expressions and artforms are exhibited in many forms as well, including the use of ka 'olelo Hawai'i, hula, mele, oli, lei making, kapa making, wood carving, kakau, weaving, lua, and canoe building.

The western intellectual property system was developed to protect the rights of the creator and inventor; however, the system does not address the protection of indigenous peoples' rights to their collective traditional knowledge, cultural expressions, and artforms.

The issues relating to indigenous intellectual property rights have been addressed in many international forums, and other indigenous peoples have developed strategies and sui generis legal systems to protect their collective intellectual property rights and knowledge. Your Committee believes that this measure will take the first steps in recognizing Native Hawaiian people as indigenous, traditional knowledge holders and their status with respect to intellectual property rights.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 167 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3390 Judiciary and Hawaiian Affairs on S.R. No. 87

The purpose of this measure is to recognize Native Hawaiians as traditional, indigenous-knowledge holders and to recognize their collective intellectual property rights.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, `Ewa-Pu`uloa Hawaiian Civic Club, Ka Lahui Hawaii Political Action Committee, King Kamehameha Hawaiian Civic Club, Native Hawaiian Legal Corporation, Queen Emma Hawaiian Civic Club, Waikiki Hawaiian Civic Club, and two individuals.

Your Committee recognizes that the Native Hawaiian people have collective intellectual property rights that are based upon the traditional, cultural knowledge developed over thousands of years and passed down from generation to generation.

The value of Native Hawaiian traditional knowledge is exhibited in many forms, including through natural resource management principles, such as malama `aina and the ahupua`a system, agricultural systems such as lo`i and loko i`a, la`au lapa`au, and ka ho`okele.

The value of Native Hawaiian cultural expressions and artforms are exhibited in many forms as well, including the use of ka `olelo Hawai`i, hula, mele, oli, lei making, kapa making, wood carving, kakau, weaving, lua, and canoe building.

The western intellectual property system was developed to protect the rights of the creator and inventor; however, the system does not address the protection of indigenous peoples' rights to their collective traditional knowledge, cultural expressions, and artforms.

The issues relating to indigenous intellectual property rights have been addressed in many international forums, and other indigenous peoples have developed strategies and sui generis legal systems to protect their collective intellectual property rights and knowledge. Your Committee believes that this measure will take the first steps in recognizing Native Hawaiian people as indigenous, traditional knowledge holders and their status with respect to intellectual property rights.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 87 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3391 Judiciary and Hawaiian Affairs on S.C.R. No. 194

The purpose of this measure is to request the Legal Services Corporation to remove the restrictions on access to public legal services for citizens of the Freely Associated States and to request the Hawaii congressional delegation to introduce legislation to allow access to public legal services for citizens of the Freely Associated States.

Testimony in support of this measure was submitted by the Legal Aid Society of Hawaii and the Native Hawaiian Legal Corporation.

Your Committee finds that the United States entered into an agreement known as the Compact of Free Association (Compact) with the Freely Associated States. The Freely Associated States consist of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

Under the Compact, citizens of the Freely Associated States receive direct funding and the provisions for U.S. federal services. However, under federal rules, federal public legal services provided to citizens of the Freely Associated States by the Legal Services Corporation are limited only to the geographic areas within the Freely Associated States.

Your Committee further finds that in recent years, Hawaii has experienced a great influx of citizens from the Freely Associated States. Hawaii has received appropriations from the U.S. government to provide health, educational, social, or public safety services for the citizens of the Freely Associated States in our State.

However, federal funding for public legal services are not available for citizens of the Freely Associated States when they are in Hawaii or any other state, and this lack of public legal services for these individuals adversely impacts the resources of the State of Hawaii and other jurisdictions who face this same influx of citizens from the Freely Associated States. Based on these recognized problems, your Committee believes that steps should be taken to:

- (1) Amend the federal rules to allow citizens of the Freely Associated States to access public legal services outside of the geographical boundaries of their States; and
- (2) Request the Hawaii congressional delegation to introduce legislation in the U.S. Congress calling for the inclusion of citizens of the Freely Associated States to receive public legal services residing in Hawaii and other affected jurisdictions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 194 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3392 Education on S.C.R. No. 114

The purpose of this measure is to urge the Governor to release funds appropriated for the acquisition of Paradise Park in Manoa.

Testimony in support of this measure was received from the Dean of the John A. Burns School of Medicine and the Director of the Center for Conservation, Research & Training at the University of Hawaii, Manoa.

Your Committee finds that the 152-acre site of Paradise Park is ideally located for the establishment of the Pacific Center of Ecosystem Science, a world-class research facility that will serve as the premier research and training center within the Asia-Pacific Region. Your Committee further finds that acquiring the property will enable the University to attract significant external funding to develop a research and educational facility that will establish Hawaii as the ideal place for addressing global environmental issues and the impact of the ecosystem on human health.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 114 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

SCRep. 3393 Education on S.C.R. No. 115

The purpose of this measure is to request the Auditor to conduct a management and financial audit of the Harold L. Lyon Arboretum.

Your Committee received testimony in support of the measure from the University of Hawaii, Nadao and Mieko Yoshinaga Foundation, Waikiki Hawaiian Civic Club, an Assistant Professor of Anthropology at Hawaii Pacific University, and twenty individuals.

Your Committee finds that the Lyon Arboretum is one of the most unique and beloved natural treasures of Oahu and the State of Hawaii. As it is also one of Hawaii's major repository of native species, it is very significant to Hawaiians and native Hawaiians. In light of this importance, any evidence of public concern regarding its operation must be given due deliberation.

Your Committee further finds that many of the people who testified as private individuals have unique qualifications that clearly make them interested stakeholders in this issue. They include student employees, volunteers, and staff members of the arboretum, members of the Lyon Arboretum Association, horticulturists, and Manoa community members.

The concerns of most of those who testified in support of this measure revolve primarily around alleged mismanagement, dubious spending patterns, overcommercialization, possible conservation zoning violations, lack of support for popular educational programs at the administrative level, disrespect of the host culture and environment, and the fostering of an atmosphere hostile to whistle blowers. Although these are serious allegations, the University of Hawaii, to its credit is open to this audit in the hopes of improving the university and its public profile.

Without attempting to prioritize the concerns of any one stakeholder group over any other, your Committee notes that certified copies of the concurrent resolution are not required to be forwarded to organizations representing the Manoa community. Your Committee urges the Auditor and University of Hawaii to keep Manoa residents apprised of the progress of this audit and related attempts at dispute resolution, and provide the local residents with opportunities to voice their concerns as the process moves along.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 115 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Tsutsui, Hogue).

SCRep. 3394 Education on S.R. No. 60

The purpose of this measure is to request the Auditor to conduct a management and financial audit of the Harold L. Lyon Arboretum.

Your Committee received testimony in support of the measure from the University of Hawaii, Nadao and Mieko Yoshinaga Foundation, Waikiki Hawaiian Civic Club, an Assistant Professor of Anthropology at Hawaii Pacific University, and twenty individuals.

Your Committee finds that the Lyon Arboretum is one of the most unique and beloved natural treasures of Oahu and the State of Hawaii. As it is also one of Hawaii's major repository of native species, it is very significant to Hawaiians and native Hawaiians. In light of this importance, any evidence of public concern regarding its operation must be given due deliberation.

Your Committee further finds that many of the people who testified as private individuals have unique qualifications that clearly make them interested stakeholders in this issue. They include student employees, volunteers, and staff members of the arboretum, members of the Lyon Arboretum Association, horticulturists, and Manoa community members.

The concerns of most of those who testified in support of this measure revolve primarily around alleged mismanagement, dubious spending patterns, overcommercialization, possible conservation zoning violations, lack of support for popular educational programs at

the administrative level, disrespect of the host culture and environment, and the fostering of an atmosphere hostile to whistle blowers. Although these are serious allegations, the University of Hawaii, to its credit is open to this audit in the hopes of improving the university and its public profile.

Without attempting to prioritize the concerns of any one stakeholder group over any other, your Committee notes that certified copies of the resolution are not required to be forwarded to organizations representing the Manoa community. Your Committee urges the Auditor and University of Hawaii to keep Manoa residents apprised of the progress of this audit and related attempts at dispute resolution, and provide the local residents with opportunities to voice their concerns as the process moves along.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 60 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Tsutsui, Hogue).

SCRep. 3395 Commerce Consumer Protection and Housing on S.C.R. No. 40

The purpose of this measure is to urge an investigation by the Federal Communications Commission (FCC) into the possible health risks presented by radio and cellular antenna towers in the Waiawa "Pearl City" industrial area.

Testimony in support of this measure was received from the senator from the eighteenth senatorial district of the State of Hawaii.

Your Committee finds that antennas generate electromagnetic waves that radiate from the transmitter to rooftop TV antennas, car radio antennas, or antennas integrated into a hand-held device such as a cellular phone. The scientific research indicates that there are potentially adverse health effects on human tissue from radiofrequency (RF) energy emitted by transmitters. The FCC, which oversees cellular phones and personal communications service transmissions, and regulates the use of radio spectrum for communications purposes, reportedly receives frequent inquiries regarding the potential safety hazards of exposure to RF energy.

Your Committee further finds that the Waiawa "Pearl City" industrial area on Oahu has several radio antenna towers located in the midst of densely populated areas, and that residents in the areas have expressed concerns about possible health risks presented by the antennas. Therefore, this measure requests Hawaii's congressional delegation to urge the FCC to investigate the adverse health effects of radio and cellular antenna towers in the Waiawa "Pearl City" industrial area, and if warranted, to require the removal of unused and potentially dangerous antennas.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 40 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Sakamoto, Whalen).

SCRep. 3396 Commerce Consumer Protection and Housing on S.R. No. 20

The purpose of this measure is to urge an investigation by the Federal Communications Commission (FCC) into the possible health risks presented by radio and cellular antenna towers in the Waiawa "Pearl City" industrial area.

Testimony in support of this measure was received from the senator from the eighteenth senatorial district of the State of Hawaii.

Your Committee finds that antennas generate electromagnetic waves that radiate from the transmitter to rooftop TV antennas, car radio antennas, or antennas integrated into a hand-held device such as a cellular phone. The scientific research indicates that there are potentially adverse health effects on human tissue from radiofrequency (RF) energy emitted by transmitters. The FCC, which oversees cellular phones and personal communications service transmissions, and regulates the use of radio spectrum for communications purposes, reportedly receives frequent inquiries regarding the potential safety hazards of exposure to RF energy.

Your Committee further finds that the Waiawa "Pearl City" industrial area on Oahu has several radio antenna towers located in the midst of densely populated areas, and that residents in the areas have expressed concerns about possible health risks presented by the antennas. Therefore, this measure requests Hawaii's congressional delegation to urge the FCC to investigate the adverse health effects of radio and cellular antenna towers in the Waiawa "Pearl City" industrial area, and if warranted, to require the removal of unused and potentially dangerous antennas.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 20 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Sakamoto, Whalen).

SCRep. 3397 (Joint) Education and Health on S.R. No. 48

The purpose of this measure is to urge the University of Hawaii to speedily rebuild a school of global and public health.

Your Committees received testimony in support of the measure from the Chancellor of the University of Hawaii at Manoa, Dean of the School of Medicine of the University of Hawaii at Manoa, University of Hawaii School of Public Health Alumni Association, and three holders of the degree of Master of Public Health.

Your Committees find that rebuilding the School of Global and Public Health will help avert a workforce crisis, bring in new financial resources to Hawaii, and protect the health and security of the people of Hawaii. A School of Global and Public Health is of critical importance as a service to our State as well as an important way to meet the University's research mission. The closure of the School of Public Health has severely limited the ability of the University to meet the State's demands for public health workers. The State now faces a shortage of public health workers at a time when their role in keeping us healthy is expanding. The lack of qualified public health workers is felt in our communities, including the "ice epidemic", Hawaii's growing elderly population, bioterrorism, and health disparities.

Accordingly, your Committees have amended the measure to include other necessary background information on the school's closure.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 48, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 48, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Kawamoto, Kokubun, Tsutsui).

SCRep. 3398 (Joint) Education and Health on S.C.R. No. 92

The purpose of this measure is to urge the University of Hawaii to speedily rebuild a school of global and public health.

Your Committees received testimony in support of the measure from the Chancellor of the University of Hawaii at Manoa, Dean of the School of Medicine of the University of Hawaii at Manoa, University of Hawaii School of Public Health Alumni Association, and three holders of the degree of Master of Public Health.

Your Committees find that rebuilding the School of Global and Public Health will help avert a workforce crisis, bring in new financial resources to Hawaii, and protect the health and security of the people of Hawaii. A School of Global and Public Health is of critical importance as a service to our State as well as an important way to meet the University's research mission. The closure of the School of Public Health has severely limited the ability of the University to meet the State's demands for public health workers. The State now faces a shortage of public health workers at a time when their role in keeping us healthy is expanding. The lack of qualified public health workers is felt in our communities, including the "ice epidemic", Hawaii's growing elderly population, bioterrorism, and health disparities.

Accordingly, your Committees have amended the measure to include other necessary background information on the school's closure.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 92, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 92, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Kawamoto, Kokubun, Tsutsui).

SCRep. 3399 (Joint) Education and Commerce Consumer Protection and Housing on S.C.R. No. 136

The purpose of this measure is to request the University of Hawaii to establish an Asia-Pacific Risk Management and Insurance Program within the College of Business Administration at the University of Hawaii at Manoa (UHM).

Testimony in support of this measure was submitted by the Hawaii Independent Insurance Agents Association and the co-directors of the Asia-Pacific Financial Markets Research Center at the College of Business Administration at UHM.

Your Committees find that understanding insurance and risk management has become a top priority of corporations as they realize that risk managers do not simply pay the insurance premiums, but must understand all the risks a corporation faces and all the complex alternatives to address those risks. Your Committees further find that Hawaii has established a reputation as one of the world's top ten locations for captive insurance companies and is the premier domicile in the Pacific Basin with over one hundred active licensees.

Because Hawaii has such an established reputation in this area, your Committees believe that UHM is the ideal location to institute a graduate program in risk management and insurance. This graduate program would be the first of its kind in the western U.S., and your Committees further believe that this would set UHM among the nation's top schools of business.

As affirmed by the records of votes of the members of your Committees on Education and Commerce, Consumer Protection and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 136 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Espero, Kawamoto, Tsutsui, Hogue).

SCRep. 3400 Water, Land, and Agriculture on S.C.R. No. 147

The purpose of this measure is to request the Auditor to perform a management audit of the Department of Land and Natural Resources (DLNR) in administering the marine life conservation districts.

Testimony in opposition to this measure was received from the DLNR.

The DLNR is authorized to administer a marine life conservation area pursuant to section 190-1, Hawaii Revised Statutes (HRS), to establish marine life conservation districts (MLCDs) pursuant to section 190-2, HRS, and to adopt rules pursuant to sections 190-3 and 190-4.5, HRS. The DLNR has established eleven MLCDs pursuant to its statutory authority. Your Committee finds that in establishing the MLCDs, the DLNR has adopted rules concerning prohibited activities, permitted activities, exemptions, and permits that differ significantly from one district to another.

Your Committee further finds that the discrepancies in the rules are particularly apparent with regard to commercial activities, where, for instance, the Waiopae tidepools marine life conservation district prohibits all commercial activities, while all the other MLCDs permit some form of commercial activity based on apparently inconsistent criteria. Furthermore, commercial operations and activities in or near the State's marine waters have been proliferating at an astonishing rate and many of those operations and activities are being conducted by businesses without obtaining state permits.

A management audit of the DLNR's establishment and administration of the MLCDs would serve as an objective baseline for evaluating the impact that the DLNR's administrative practices have had on the natural and cultural resources found within the MLCDs. An audit of the DLNR would further serve to improve the manner in which the MLCDs are administered and provide clearer and more consistent guidelines for permissible activities in MLCDs for the general public and commercial users.

Your Committee has amended this measure to include in the audit the DLNR's stewardship of marine areas which have been designated as natural area reserves.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 147, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 147, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3401 Water, Land, and Agriculture on S.C.R. No. 209

The purpose of this measure is to request the Department of Land and Natural Resources to rename Heeia State Park to Lae 'O Kealohi State Park in order to restore the ancient place name and to reflect the historical use of the area.

Testimony in opposition to the measure was submitted by the Chairperson of the Board of Land and Natural Resources.

Your Committee finds that the important historical significance of the location on which the Heeia State Park is situated warrants public recognition that can be achieved by the renaming of the park.

Your Committee amended the measure by including marine sciences as a subject of the "interpretive park" program, clarifying the meaning of the Hawaiian name for the location of the park, and reciting the historical and cultural references to the original Hawaiian name of the park's location.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 209, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 209, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3402 Water, Land, and Agriculture on S.R. No. 120

The purpose of this measure is to request the Department of Land and Natural Resources to rename Heeia State Park to Lae 'O Kealohi State Park in order to restore the ancient place name and to reflect the historical use of the area.

Testimony in opposition to the measure was submitted by the Chairperson of the Board of Land and Natural Resources.

Your Committee finds that the important historical significance of the location on which the Heeia State Park is situated warrants public recognition that can be achieved by the renaming of the park.

Your Committee amended the measure by including marine sciences as a subject of the "interpretive park" program, clarifying the meaning of the Hawaiian name for the location of the park, and reciting the historical and cultural references to the original Hawaiian name of the park's location.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 120, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 120, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3403 (Joint) Science, Arts, and Technology and Commerce Consumer Protection and Housing on S.C.R. No. 112

The purpose of this measure is to request the convening of an intergovernmental committee to examine and formulate a coordinated intergovernmental strategy for the improvement of the Institutional Network and the Public, Education, and Government (PEG) access system.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs (DCCA), Department of Accounting and General Services (DAGS), University of Hawaii (UH), Akaku: Maui Community TV, and Oceanic Time Warner Cable.

The State's Institutional Network provides high speed connectivity and essential broadband telecommunication services to various state agencies, the UH, and the counties, including real-time distribution of educational curriculum and instructional material, video conferencing capabilities, and real-time data exchange between various government agencies and private businesses. The PEG access system, through channels set aside by cable franchise holders, provides a public forum for the discussion of important policy issues.

Your Committees find that there are plans to expand the Network throughout the State, and that the Department of Education (DOE) has plans to connect more public schools located on the neighbor islands or in geographically isolated areas to the Institutional Network. Additionally, there is a growing momentum in communities throughout the State to expand the PEG access system.

Your Committees further find that these expansion plans are designed to meet the increased demands placed on both the Institutional Network and the PEG access system in the near future, as well as provide a greater array of telecommunications-related services.

Your Committees further find that it is critical that state officials and experts from the UH work together to ensure that the future expansion of both the Institutional Network and the PEG access system is carried out in a well-coordinated and cost efficient manner. Therefore, this measure requests DCCA, DAGS, DOE, and the UH to form an intergovernmental committee to examine and formulate a coordinated intergovernmental strategy for the improvement of the Institutional Network and the PEG access system.

Your Committees have amended this measure:

- (1) To include representatives of the counties on the intergovernmental committee;
- (2) To require the committee's report to be provided to the PEG entities; and
- (3) By making technical, nonsubstantive amendments for purposes of style and consistency to the title and body of this measure.

Finally, your Committees note that the PEG entities had expressed a desire to serve on the intergovernmental committee. However, since the entities are not governmental bodies, they were not included as committee participants.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Commerce, Consumer Protection and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 112, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 112, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (Aduja, Espero, Sakamoto, Hemmings, Whalen).

SCRep. 3404 (Joint) Science, Arts, and Technology and Commerce Consumer Protection and Housing on S.R. No. 58

The purpose of this measure is to request the convening of an intergovernmental committee to examine and formulate a coordinated intergovernmental strategy for the improvement of the Institutional Network and the Public, Education, and Government (PEG) access system.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs (DCCA), Department of Accounting and General Services (DAGS), University of Hawaii (UH), Akaku: Maui Community TV, and Oceanic Time Warner Cable.

The State's Institutional Network provides high speed connectivity and essential broadband telecommunication services to various state agencies, the UH, and the counties, including real-time distribution of educational curriculum and instructional material, video conferencing capabilities, and real-time data exchange between various government agencies and private businesses. The PEG access system, through channels set aside by cable franchise holders, provides a public forum for the discussion of important policy issues.

Your Committees find that there are plans to expand the Network throughout the State, and that the Department of Education (DOE) has plans to connect more public schools located on the neighbor islands or in geographically isolated areas to the Institutional Network. Additionally, there is a growing momentum in communities throughout the State to expand the PEG access system.

Your Committees further find that these expansion plans are designed to meet the increased demands placed on both the Institutional Network and the PEG access system in the near future, as well as provide a greater array of telecommunications-related services.

Your Committees further find that it is critical that state officials and experts from the UH work together to ensure that the future expansion of both the Institutional Network and the PEG access system is carried out in a well-coordinated and cost efficient manner. Therefore, this measure requests DCCA, DAGS, DOE, and the UH to form an intergovernmental committee to examine and formulate a coordinated intergovernmental strategy for the improvement of the Institutional Network and the PEG access system.

Your Committees have amended this measure:

- (1) To include representatives of the counties on the intergovernmental committee;
- (2) To require the committee's report to be provided to the PEG entities; and
- (3) By making technical, nonsubstantive amendments for purposes of style and consistency to the title and body of this measure.

Finally, your Committees note that the PEG entities had expressed a desire to serve on the intergovernmental committee. However, since the entities are not governmental bodies, they were not included as committee participants.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Commerce, Consumer Protection and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 58, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 58, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Aduja, Espero, Sakamoto, Hemmings, Whalen).

SCRep. 3405 (Joint) Science, Arts, and Technology and Education on S.C.R. No. 131

The purpose of this measure is to request specified government agencies, business partners, and supporters to collaborate to address the coordination and support of robotics education programs in Hawaii.

Testimony in support of the measure was received from the Department of Education, the University of Hawaii, the Hawaiian Electric Company, the Hawaii Island Economic Development Board, and seven individuals.

Your Committees find that robotics educational programs develop proficiency as well as stimulate an interest in math and science among Hawaii's young people. Robotics educational programs are project-based learning that emphasize and develop important technological, time management, and interpersonal skills among its participants. Further, robotics educational programs encourage collaboration with highly trained professionals in the private and public sectors who serve as important mentors to these students. Your Committees also recognize that the high level of success and sterling record of achievement enjoyed by Hawaii students in numerous robotics competitions on the mainland demonstrate the value of developing and expanding these programs.

Your Committees have amended this measure by stating the numerous applications of a robotics-based educational curriculum, and referencing the For Inspiration and Recognition of Technology robotics tournaments.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 131, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 131, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Kawamoto, Tsutsui, Hemmings, Hogue).

SCRep. 3406 (Joint) Science, Arts, and Technology and Education on S.R. No. 69

The purpose of this measure is to request specified government agencies, business partners, and supporters to collaborate to address the coordination and support of robotics education programs in Hawaii.

Testimony in support of the measure was received from the Department of Education, the University of Hawaii, the Hawaiian Electric Company, the Hawaii Island Economic Development Board, and seven individuals.

Your Committees find that robotics educational programs develop proficiency as well as stimulate an interest in math and science among Hawaii's young people. Robotics educational programs are project-based learning that emphasize and develop important technological, time management, and interpersonal skills among its participants. Further, robotics educational programs encourage collaboration with highly trained professionals in the private and public sectors who serve as important mentors to these students. Your Committees also recognize that the high level of success and sterling record of achievement enjoyed by Hawaii students in numerous robotics competitions on the mainland demonstrate the value of developing and expanding these programs.

Your Committees have amended this measure by stating the numerous applications of a robotics-based educational curriculum, and referencing the For Inspiration and Recognition of Technology robotics tournaments.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 69, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 69, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (English, Kawamoto, Tsutsui, Hemmings, Hogue).

SCRep. 3407 (Joint) Science, Arts, and Technology and Water, Land, and Agriculture on S.C.R. No. 157

The purpose of this measure is to request the Department of Land and Natural Resources to provide a comprehensive explanation regarding its process for selecting and submitting candidates to the Governor for appointment to the Island Burial Councils.

This measure also requests the Auditor to investigate the selection process utilized by the Department of Land and Natural Resources in order to determine if there were deviations from the statutory as well as administrative requirements regarding the selection of candidates for the Island Burial Councils.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, the Native Hawaiian Legal Corporation, Hui Malama I Na Kupuna O Hawai'i Nei, 'Ilio'ulaokalani Coalition, Mauna Kea Anaina Hou, and eight individuals. Testifying in opposition to the measure was the Office of the Governor and the Department of Land and Natural Resources.

Your Committees finds that the process utilized by the Department of Land and Natural Resources to select and submit the names of individuals to the Governor for appointment to serve on Island Burial Councils across the State has been marked by delays and questionable conduct. For example, the Department of Land and Natural Resources failed to submit the name of at least one qualified individual recommended by the Office of Hawaiian Affairs to the Governor for appointment to the Island Burial Councils.

Your Committees find that this incident is reflective of a pattern of questionable conduct on the part of the Department of Land and Natural Resources that has resulted in a significant increase in the number of vacancies on Island Burial Councils across the State. This increase in the number of vacancies ultimately delays and frustrates the work of the Island Burial Councils which involves making crucial determinations regarding the preservation or relocation of previously identified Native Hawaiian burial sites.

Your Committees have amended this measure by requesting that the Auditor obtain the consent or approval of candidates eligible for appointment to the Island Burial Councils prior to disclosing any identifying information of a particular candidate as part of its investigation into the Department of Land and Natural Resources selection process.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 157, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 157, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 3 (Aduja, Hemmings, Whalen).

SCRep. 3408 (Joint) Science, Arts, and Technology and Water, Land, and Agriculture on S.R. No. 80

The purpose of this measure is to request the Department of Land and Natural Resources to provide a comprehensive explanation regarding its process for selecting and submitting candidates to the Governor for appointment to the Island Burial Councils.

This measure also requests the Auditor to investigate the selection process utilized by the Department of Land and Natural Resources in order to determine if there were deviations from the statutory as well as administrative requirements regarding the selection of candidates for the Island Burial Councils.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, the Native Hawaiian Legal Corporation, Hui Malama I Na Kupuna O Hawai'i Nei, 'Ilio'ulaokalani Coalition, Mauna Kea Anaina Hou, and eight individuals. Testifying in opposition to the measure was the Office of the Governor and the Department of Land and Natural Resources.

Your Committees finds that the process utilized by the Department of Land and Natural Resources to select and submit the names of individuals to the Governor for appointment to serve on Island Burial Councils across the State has been marked by delays and questionable conduct. For example, the Department of Land and Natural Resources failed to submit the name of at least one qualified individual recommended by the Office of Hawaiian Affairs to the Governor for appointment to the Island Burial Councils.

Your Committees find that this incident is reflective of a pattern of questionable conduct on the part of the Department of Land and Natural Resources that has resulted in a significant increase in the number of vacancies on Island Burial Councils across the State. This increase in the number of vacancies ultimately delays and frustrates the work of the Island Burial Councils which involves making crucial determinations regarding the preservation or relocation of previously identified Native Hawaiian burial sites.

Your Committees have amended this measure by requesting that the Auditor obtain the consent or approval of candidates eligible for appointment to the Island Burial Councils prior to disclosing any identifying information of a particular candidate as part of its investigation into the Department of Land and Natural Resources selection process.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 80, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 80, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 3 (Aduja, Hemmings, Whalen).

SCRep. 3409 (Joint) Energy and Environment and Economic Development on S.C.R. No. 168

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to review the feasibility of the State of Hawaii becoming a member of the Chicago Climate Exchange.

Your Committees received testimony in support of the measure from the Hawaii Renewable Energy Alliance. Your Committees received comments on the measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that participation in the Chicago Climate Exchange could be a means of reducing carbon dioxide emissions and a source of economic development by trading credits in renewable electricity. Nevertheless, it may be preferable to focus limited state resources on those types of policies that will have a more direct impact on increasing the use of renewable energy in Hawaii.

Your Committees have amended the measure by removing its contents and replacing them with a measure calling for the Board of Land and Natural Resources to report to the Legislature on the progress of the Division of Boating and Ocean Recreation in addressing the Auditor's concerns in the 1998 and 2001 audits of the management of state boating facilities.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 168, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 168, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Ige, Ihara, Kanno).

SCRep. 3410 (Joint) Energy and Environment and Economic Development on S.R. No. 88

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to review the feasibility of the State of Hawaii becoming a member of the Chicago Climate Exchange.

Your Committees received testimony in support of the measure from the Hawaii Renewable Energy Alliance. Your Committees received comments on the measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that participation in the Chicago Climate Exchange could be a means of reducing carbon dioxide emissions and a source of economic development by trading credits in renewable electricity. Nevertheless, it may be preferable to focus limited state resources on those types of policies that will have a more direct impact on increasing the use of renewable energy in Hawaii.

Your Committees have amended the measure by removing its contents and replacing them with a measure calling for the Board of Land and Natural Resources to report to the Legislature on the progress of the Division of Boating and Ocean Recreation in addressing the Auditor's concerns in the 1998 and 2001 audits of the management of state boating facilities.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 88, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 88, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Ige, Ihara, Kanno).

SCRep. 3411 (Joint) Energy and Environment and Economic Development on S.C.R. No. 171

The purpose of this measure is to urge the Department of Business, Economic Development, and Tourism to coordinate efforts and promote the use of compost.

Your Committees received testimony from the Department of Business, Economic Development, and Tourism, and Hawaiian Earth Products, Ltd. Your Committees received comments from the Board of Agriculture.

Your Committees find that promoting the use of compost keeps tens of thousands of tons of yard trimmings, untreated wood waste, and fruit and vegetable waste out of our landfills. This is beneficial for our environment and our economy.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 171 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Ige, Ihara, Kanno).

SCRep. 3412 (Joint) Energy and Environment and Economic Development on S.R. No. 91

The purpose of this measure is to urge the Department of Business, Economic Development, and Tourism to coordinate efforts and promote the use of compost.

Your Committees received testimony from the Department of Business, Economic Development, and Tourism, and Hawaiian Earth Products, Ltd. Your Committees received comments from the Board of Agriculture.

Your Committees find that promoting the use of compost keeps tens of thousands of tons of yard trimmings, untreated wood waste, and fruit and vegetable waste out of our landfills. This is beneficial for our environment and our economy.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 91 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Ige, Ihara, Kanno).

SCRep. 3413 (Joint) Energy and Environment and Transportation, Military Affairs, and Government Operations on S.C.R. No. 174

The purpose of this measure is to request the counties to address all light pollution issues through their ordinances.

Testimony in support of the measure was submitted by the Department of the Air Force, Conservation Council for Hawai'i, and an individual. Testimony in opposition to the measure was submitted by City and County of Honolulu Department of Planning and Permitting. The Land Use Research Foundation of Hawaii submitted comments on the measure.

Your Committees find that light pollution is an important issue that has not been sufficiently addressed by our counties. Your Committees agree with the comments submitted by the Department of the Air Force that light pollution issues affecting astronomy and space surveillance activities should also be addressed by the counties.

Accordingly, your Committees have amended the measure by expanding its application to include the impact of light pollution on astronomy and space surveillance sites and deleting references that limited the application of the measure to shoreline light sources and building ordinances only.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 174, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 174, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Kanno, Menor).

SCRep. 3414 (Joint) Energy and Environment and Transportation, Military Affairs, and Government Operations on S.R. No. 93

The purpose of this measure is to request the counties to address all light pollution issues through their ordinances.

Testimony in support of the measure was submitted by the Department of the Air Force, Conservation Council for Hawai'i, and an individual. Testimony in opposition to the measure was submitted by City and County of Honolulu Department of Planning and Permitting. The Land Use Research Foundation of Hawaii submitted comments on the measure.

Your Committees find that light pollution is an important issue that has not been sufficiently addressed by our counties. Your Committees agree with the comments submitted by the Department of the Air Force that light pollution issues affecting astronomy and space surveillance activities should also be addressed by the counties.

Accordingly, your Committees have amended the measure by expanding its application to include the impact of light pollution on astronomy and space surveillance sites and deleting references that limited the application of the measure to shoreline light sources and building ordinances only.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 93, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 93, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Kanno, Menor).

SCRep. 3415 Energy and Environment on S.C.R. No. 175

The purpose of this measure is to request the Hawaii Invasive Species Council to report to the Legislature on its program to fight invasive species.

Prior to a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. In that form, it requests the United States Secretary of Energy to support a partnership between Iceland and Hawaii for the development and deployment of renewable hydrogen technologies as part of the international partnership for a hydrogen economy.

Testimony in support of the amended measure was received from Hawaiian Electric Company and the Department of Business, Economic Development, and Tourism.

Your Committee finds that the State is exploring ways to develop and use renewable energy derived from solar, wind, biomass, ocean, and geothermal resources. The production and use of hydrogen from renewable energy resources holds significant potential for diversifying Hawaii's energy mix. The large-scale use of hydrogen will require a hydrogen-based energy infrastructure that incorporates safe production and storage technologies and will provide energy at low cost.

A study of the large-scale use of hydrogen was completed in 2001, pursuant to S.C.R. No. 183, 2000 Regular Session, and Act 283, Session Laws of Hawaii 2001, that determined that hydrogen can be competitive as a transportation fuel with projected increased efficiency of fuel cell vehicles. Hawaii can be used as the leading example of renewable energy through hydrogen development for the United States Government. Iceland also is an island economy with almost no fossil resources but abundant renewable energy resources. Iceland has positioned itself as an international demonstration site and pioneer in energy technologies to enable this island nation to become the world's first hydrogen economy by the year 2050.

This amended measure requests the U.S. Secretary of Energy to support a working partnership between Iceland and Hawaii in order to promote a real world example of the commitment of the United States to the principals of the International Partnership for the Hydrogen Economy.

Your Committee has amended this measure by adopting the changes in the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 175, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 175, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kanno).

SCRep. 3416 Energy and Environment on S.R. No. 94

The purpose of this measure is to request the Hawaii Invasive Species Council to report to the Legislature on its program to fight invasive species.

Prior to a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. In that form, it requests the United States Secretary of Energy to support a partnership between Iceland and Hawaii for the development and deployment of renewable hydrogen technologies as part of the international partnership for a hydrogen economy.

Testimony in support of the amended measure was received from Hawaiian Electric Company and the Department of Business, Economic Development, and Tourism.

Your Committee finds that the State is exploring ways to develop and use renewable energy derived from solar, wind, biomass, ocean, and geothermal resources. The production and use of hydrogen from renewable energy resources holds significant potential for diversifying Hawaii's energy mix. The large-scale use of hydrogen will require a hydrogen-based energy infrastructure that incorporates safe production and storage technologies and will provide energy at low cost.

A study of the large-scale use of hydrogen was completed in 2001, pursuant to S.C.R. No. 183, 2000 Regular Session, and Act 283, Session Laws of Hawaii 2001, that determined that hydrogen can be competitive as a transportation fuel with projected increased efficiency of fuel cell vehicles. Hawaii can be used as the leading example of renewable energy through hydrogen development for the United States Government. Iceland also is an island economy with almost no fossil resources but abundant renewable energy resources. Iceland has positioned itself as an international demonstration site and pioneer in energy technologies to enable this island nation to become the world's first hydrogen economy by the year 2050.

This amended measure requests the U.S. Secretary of Energy to support a working partnership between Iceland and Hawaii in order to promote a real world example of the commitment of the United States to the principals of the International Partnership for the Hydrogen Economy.

Your Committee has amended this measure by adopting the changes in the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 94, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 94, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kanno).

SCRep. 3417 (Joint) Energy and Environment and Health on S.C.R. No. 185

The purpose of this measure is to urge the United States Environmental Protection Agency (USEPA) to:

- (1) Develop and implement alternative rules immediately under the Lead and Copper Rules;

- (2) Provide an option to identify and remove sources of contaminants when it has been demonstrated that the additives have not been effective in controlling the problem;
- (3) Alter its methods and standards of sampling schemes to include a higher level of detail and accuracy;
- (4) Allow for a contingency plan should all other routine recommendations for additives fail and allow a process for feedback of empirical data regarding the effectiveness of additives;
- (5) Monitor lead action levels carefully, even after the onset of the recommended additive intervention;
- (6) Establish a mechanism to terminate the utilization of additives when the water supply has dropped below the 15 parts per billion action level;
- (7) Manage all water systems on a case by case basis in order to assess the varying environmental conditions at the local level; and
- (8) Study its criteria carefully that allows brass in plumbing fixtures, to ensure that no lead is leached into drinking water.

Testimony in support of the measure was submitted by six members of the Maui County Council. The Director of Health submitted comments on the measure.

Your Committees find that the residents of upcountry Maui are in dire need of a reliable and safe source of drinking water being restored in the area. While supporting the USEPA's review of its drinking water rules, the Director of Health offered several clarifying amendments regarding the nature of the State's public water systems and surface water sources.

Your Committees amended the measure by incorporating the following clarifying changes suggested by the Director of Health to state that:

- (1) Approximately 9.3% of Hawaii's population serviced by public water systems, receive drinking water that is derived completely or partially from surface water sources;
- (2) The upcountry Maui region relies primarily upon surface water;
- (3) The Makawao, Upper and Lower Kula water systems of the upcountry Maui region have not been in consistent compliance with the USEPA's safe drinking water standards; and
- (4) C-9 and the other corrosion control additives are NSF/ANSI Standard 60 certified drinking water treatment chemicals that have been widely used elsewhere without any problems, and it is not known what is specifically causing the ailments being experienced in upcountry Maui.

Your Committees further amended the measure by making the following clarifying changes to state that:

- (1) The use of additives to control the leaching of lead has been consistently or universally ineffective;
- (2) The Makawao, Upper and Lower Kula water systems have not been in consistent compliance with the Lead and Copper Rule; and
- (3) The USEPA is requested to study its criteria regarding lead-containing brass in plumbing fixtures.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 185, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 185, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Kanno, Hemmings, Hogue).

SCRep. 3418 (Joint) Energy and Environment and Health on S.R. No. 102

The purpose of this measure is to urge the United States Environmental Protection Agency (USEPA) to:

- (1) Develop and implement alternative rules immediately under the Lead and Copper Rules;
- (2) Provide an option to identify and remove sources of contaminants when it has been demonstrated that the additives have not been effective in controlling the problem;
- (3) Alter its methods and standards of sampling schemes to include a higher level of detail and accuracy;
- (4) Allow for a contingency plan should all other routine recommendations for additives fail and allow a process for feedback of empirical data regarding the effectiveness of additives;
- (5) Monitor lead action levels carefully, even after the onset of the recommended additive intervention;

- (6) Establish a mechanism to terminate the utilization of additives when the water supply has dropped below the 15 parts per billion action level;
- (7) Manage all water systems on a case by case basis in order to assess the varying environmental conditions at the local level; and
- (8) Study its criteria carefully that allows brass in plumbing fixtures, to ensure that no lead is leached into drinking water.

Testimony in support of the measure was submitted by six members of the Maui County Council. The Director of Health submitted comments on the measure.

Your Committees find that the residents of upcountry Maui are in dire need of a reliable and safe source of drinking water being restored in the area. While supporting the USEPA's review of its drinking water rules, the Director of Health offered several clarifying amendments regarding the nature of the State's public water systems and surface water sources.

Your Committees amended the measure by incorporating the following clarifying changes suggested by the Director of Health to state that:

- (1) Approximately 9.3% of Hawaii's population serviced by public water systems, receive drinking water that is derived completely or partially from surface water sources;
- (2) The upcountry Maui region relies primarily upon surface water;
- (3) The Makawao, Upper and Lower Kula water systems of the upcountry Maui region have not been in consistent compliance with the USEPA's safe drinking water standards; and
- (4) C-9 and the other corrosion control additives are NSF/ANSI Standard 60 certified drinking water treatment chemicals that have been widely used elsewhere without any problems, and it is not known what is specifically causing the ailments being experienced in upcountry Maui.

Your Committees further amended the measure by making the following clarifying changes to state that:

- (1) The use of additives to control the leaching of lead has been consistently or universally ineffective;
- (2) The Makawao, Upper and Lower Kula water systems have not been in consistent compliance with the Lead and Copper Rule; and
- (3) The USEPA is requested to study its criteria regarding lead-containing brass in plumbing fixtures.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 102, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 102, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Kanno, Hemmings, Hogue).

SCRep. 3419 (Joint) Human Services and Economic Development on S.C.R. No. 81

The purpose of this measure is to request the Hawaii State Commission on the Status of Women to establish and utilize a self-sufficiency standard to replace the Federal Poverty Level Standard.

Testimony in support of the measure was submitted by the Hawaii State Commission on the Status of Women, Hawaii State Coalition Against Domestic Violence, Hawaii State AFL-CIO, National Association of Social Workers, Bridge to Hope, Hawaii Institute for Public Affairs, Parents and Children Together, Kokua Council, 3Point Consulting, Enterprise Honolulu, and five individuals. The Department of Human Services submitted testimony in opposition and the Department of Labor and Industrial Relations submitted comments.

Your Committees find that the Federal Poverty Level Standard (FPLS) is an approximately forty year old calculation based on cost of food and is a one-sized model that is supposed to, but does not, fit all. The FPLS assumes that food is one-third of a family's budget; however, the self-sufficiency standard is based on the costs of all basic needs of a family and varies on the size of the family and number and age of the children. The self-sufficiency standard for Hawaii defines the income that working families need to meet their basic needs without public or private assistance, and our State needs to explore situations where it can be substituted for the FPLS.

Upon further consideration, your Committees have amended this measure and its title by clarifying that the self-sufficiency standard is encouraged to be used as a framework, and specifying certain programs to be considered in developing this standard. An amendment was also made to request that the Department of Business, Economic Development, and Tourism assist the Hawaii State Commission on the Status of Women on clarifying the use of the self-sufficiency standard.

As affirmed by the records of votes of the members of your Committees on Human Services and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 81, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 81, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Hooser, Ihara, Kanno, Tsutsui).

SCRep. 3420 (Joint) Human Services and Commerce Consumer Protection and Housing on S.C.R. No. 135

The purpose of this measure is to request the convening of an affordable housing task force.

Testimony in support of the measure was submitted by the Housing and Community Development Corporation of Hawaii (HCDCH), County of Hawaii, County of Maui, Affordable Housing and Homeless Alliance, Hawaii Association of Realtors, Institute of Real Estate Management, Hawaii Disability Rights Center, Land Use Research Foundation, Honolulu Board of Realtors, Catholic Charities of Hawaii, and an individual.

Your Committees find that throughout the State, affordable housing units are in critical demand to meet the housing needs of local residents. Currently, some of the barriers preventing the construction and development of affordable units include lengthy zoning and permitting processes, high cost of land and building materials, and the need for new and affordable financing sources for both developers and buyers. This measure will provide for a task force that will research possible remedies to solve the affordable housing crisis.

Upon further consideration, your Committees have amended this measure by including language that acknowledges the discussions that the HCDCH has had considering this issue and encouraging them to continue the discussion. Your Committees also amended the measure by requiring that all of the above testifiers and the Mayors of each county receive a certified copy of this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 135, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 135, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Espero, Hooser, Sakamoto, Tsutsui).

SCRep. 3421 (Joint) Human Services and Labor on S.C.R. No. 199

The purpose of this measure is to request the Department of Human Services and Department of Labor and Industrial Relations to examine issues of public assistance involving incentives and requirements to work, and income and asset thresholds that work as disincentives to work.

Testimony in support of this measure was submitted by an individual. Testimony in opposition was submitted by the Department of Human Services.

Your Committees find that the requests contained in this concurrent resolution are currently being undertaken by the Department of Human Services. However, testimony has been presented that there is an entire group of individuals that are not being addressed. Currently, our State offers services to those who are disabled and are unable to work in a normal capacity. It is the intention of your Committees to pass this measure out so as to continue the discussion of how those with disabilities receiving assistance from the State are being discouraged from employment that is within their capacity.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 199 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Hooser, Ige, Ihara, Taniguchi, Tsutsui).

SCRep. 3422 (Joint) Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations on S.C.R. No. 96

The purpose of this measure is to urge the United States Congress to amend immigration laws by allowing immigration authorities to exercise judicial discretion in deportation proceedings for aliens convicted of a crime and by allowing a convicted alien to seek a waiver from deportation upon demonstrating successful rehabilitation.

Your Committees find that in the 1990s immigration laws were amended to virtually eliminate all discretion that authorities once had to determine if resident aliens convicted of a felony should be deported. The changes were prompted by criticisms that hundreds of aliens convicted of serious crimes remained free while their deportations were being processed and their appeals pending.

Your Committees further find that these reforms expanded the grounds for deportation, subjecting long-term immigrants to mandatory detention and automatic deportation for relatively insignificant crimes. Moreover, these laws are applied retroactively resulting in many immigrants being deported for one-time offenses or youthful indiscretions, regardless of whether the person has turned his or her life around and become a productive citizen.

Your Committees urge the United States Congress to amend immigration laws by allowing the immigration authorities to exercise judicial discretion in determining whether deportation of a resident alien is appropriate and by allowing a convicted alien to seek a waiver from deportation upon demonstrating successful rehabilitation, as evidenced by a lack of subsequent criminal convictions.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 96 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Ihara, Kanno, Menor, Whalen).

SCRep. 3423 (Joint) Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations on S.R. No. 50

The purpose of this measure is to urge the United States Congress to amend immigration laws by allowing immigration authorities to exercise judicial discretion in deportation proceedings for aliens convicted of a crime and by allowing a convicted alien to seek a waiver from deportation upon demonstrating successful rehabilitation.

Your Committees find that in the 1990s immigration laws were amended to virtually eliminate all discretion that authorities once had to determine if resident aliens convicted of a felony should be deported. The changes were prompted by criticisms that hundreds of aliens convicted of serious crimes remained free while their deportations were being processed and their appeals pending.

Your Committees further find that these reforms expanded the grounds for deportation, subjecting long-term immigrants to mandatory detention and automatic deportation for relatively insignificant crimes. Moreover, these laws are applied retroactively resulting in many immigrants being deported for one-time offenses or youthful indiscretions, regardless of whether the person has turned his or her life around and become a productive citizen.

Your Committees urge the United States Congress to amend immigration laws by allowing the immigration authorities to exercise judicial discretion in determining whether deportation of a resident alien is appropriate and by allowing a convicted alien to seek a waiver from deportation upon demonstrating successful rehabilitation, as evidenced by a lack of subsequent criminal convictions.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 50 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 4 (Ihara, Kanno, Menor, Whalen).

SCRep. 3424 (Joint) Education and Labor on S.C.R. No. 123

The purpose of this measure is to request the Legislative Reference Bureau (LRB) to conduct a study on employee overpayment within the University of Hawaii (UH) System.

Testimony in support of this measure was received from the Department of Accounting and General Services (DAGS). Comments were received from the LRB and UH.

The intent of this measure is to decrease the level of salary overpayments by the UH. The testimony of the UH acknowledges that salary overpayments have occurred at Kapiolani Community College (KCC), and that the UH has taken steps to resolve problems related to overpayments. However, your Committees are concerned that the problem may be more widespread than just at KCC, and may be occurring at other campuses of the UH and perhaps other state departments. This measure would help to ensure that the UH is not squandering moneys. Your Committees find that the findings and recommendations of the LRB would also be instructive for other state department practices and problems.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 123 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Taniguchi, Tsutsui, Hogue).

SCRep. 3425 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.R. No. 47

The purpose of this measure is to request the Superintendent of Education to establish a task force to address problems faced by military impacted schools.

Your Committees received testimony in support of this measure from the Department of Education, Chamber of Commerce of Hawaii, and a public school principal.

The composition of the task force would include, but not be limited to, principals and vice-principals of each military impacted school, representatives of teachers, Parent Community Networking Centers, or school/community based management groups of each military impacted school, representatives of the transition centers in the Radford Complex schools, and representatives of the commanding officers of military installations.

Your Committees find that reallocation of public school teachers and administrative staff, resulting from annual changes in student enrollment, has resulted in disruptions in military impacted schools. Because staffing allocations are set on "count day," the possible

gain or loss of teaching and administrative staff is problematic, causing students to move to new classes, or to different existing classes, which have negatively affected the learning process.

Your Committees further find that normal transfers, reassignments, and deployments of substantial military personnel stationed in Hawaii have also caused disruptions in military impacted schools. All of this movement affects students of military families and their nonmilitary classmates.

This measure seeks to address these problem by requesting the Superintendent of Education to form a task force with a mandate to consider specified measures and to report to the Legislature on findings and recommendations before the 2005 Regular Session.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 47 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Kanno, Tsutsui, Whalen).

SCRep. 3426 (Joint) Commerce Consumer Protection and Housing, Health and Transportation, Military Affairs, and Government Operations on S.C.R. No. 125

The purpose of this measure is to urge federal action to permit the importation of prescription drugs from Canada.

The Hawaii Government Employees Association and AARP Hawaii testified in support of this measure.

Your Committees find that many prescription drugs sold in the United States are available at lower prices in Canada, but that federal law prohibits the importation of foreign-made versions of Food and Drug Administration-approved drugs, and the reimportation of drugs, except by drug manufacturers or if authorized by the Secretary of Health and Human Services (Secretary) for emergency medical care.

Your Committees further find that while the recently-enacted Medicare reform law mandates the Secretary to promulgate regulations permitting pharmacists and wholesalers to import prescription drugs from Canada into the United States, and authorizes the Secretary to grant individual waivers of the importation prohibition, the law also requires that the Secretary first certify to the Congress that the regulations will pose no additional risk to the public's health and safety and will result in a significant reduction in the cost of drugs for consumers. Critics of the law charge that the safety certification is the "poison pill" of the drug importation provisions because no Health and Human Services Secretary, including the current Secretary, is likely to commit to guaranteeing the safety of imported drugs.

Your Committees further find that federal legislation has been proposed that would ease the requirements for the importation of prescription drugs from abroad, including from Canada. This measure expresses the Legislature's support for the passage of these measures which would help to provide relief from the high cost of prescription drugs for Hawaii's consumers.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Health and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 125 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Ige, Kanno, Kim, Kokubun, Sakamoto, Tsutsui).

SCRep. 3427 (Joint) Commerce Consumer Protection and Housing, Health and Transportation, Military Affairs, and Government Operations on S.R. No. 63

The purpose of this measure is to urge federal action to permit the importation of prescription drugs from Canada.

The Hawaii Government Employees Association and AARP Hawaii testified in support of this measure.

Your Committees find that many prescription drugs sold in the United States are available at lower prices in Canada, but that federal law prohibits the importation of foreign-made versions of Food and Drug Administration-approved drugs, and the reimportation of drugs, except by drug manufacturers or if authorized by the Secretary of Health and Human Services (Secretary) for emergency medical care.

Your Committees further find that while the recently-enacted Medicare reform law mandates the Secretary to promulgate regulations permitting pharmacists and wholesalers to import prescription drugs from Canada into the United States, and authorizes the Secretary to grant individual waivers of the importation prohibition, the law also requires that the Secretary first certify to the Congress that the regulations will pose no additional risk to the public's health and safety and will result in a significant reduction in the cost of drugs for consumers. Critics of the law charge that the safety certification is the "poison pill" of the drug importation provisions because no Health and Human Services Secretary, including the current Secretary, is likely to commit to guaranteeing the safety of imported drugs.

Your Committees further find that federal legislation has been proposed that would ease the requirements for the importation of prescription drugs from abroad, including from Canada. This measure expresses the Legislature's support for the passage of these measures which would help to provide relief from the high cost of prescription drugs for Hawaii's consumers.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Health and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 63 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Ige, Kanno, Kim, Kokubun, Sakamoto, Tsutsui).

SCRep. 3428 (Joint) Transportation, Military Affairs, and Government Operations and Commerce Consumer Protection and Housing on S.C.R. No. 149

The purpose of this measure is to express legislative support for Hawaii Superferry, Inc. to establish an inter-island fast ferry service.

This measure also requests the Department of Transportation (DOT) to assist in the expeditious planning and implementation of the ferry service, and requests the Public Utilities Commission (PUC) to expeditiously process the required certification of Hawaii Superferry, Inc.

Testimony in support of this measure was received from the DOT, Department of Business, Economic Development, and Tourism, Oahu Civil Defense Agency, Carrier Corporation of Hawaii, Hawaii Superferry, Hawaii Business and Entrepreneur Acceleration Mentors, Kauai Economic Development Board, Pineapple Growers Association of Hawaii, and nine individuals. Comments were received from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs.

The interisland ferry system proposed in this measure provides an alternative transportation choice for travel between the islands. The superferry could become a viable substitute for an interstate highway system linking the islands.

According to testimony of Hawaii Superferry, the ferry vessels have been designed specifically to handle rough interisland channels to ensure a comfortable ride for passengers. The ships are large (longer than a football field), use unique semi-SWATH-type hulls, and employ the world's most advanced computer-controlled ride systems. The vessels will use the cleanest and most energy-efficient marine engines in the world, which exceed the strict new 2007 Environmental Protection Administration emissions requirements. These vessels are also "zero discharge."

Hawaii Superferry will provide a low-cost, fast, convenient, and comfortable alternative for interisland travel for passengers and for cargo. Passengers will be able to transport their own vehicles, and business will be able to transport goods and services to customers on other islands. These goods include a wide variety of locally produced vegetables, fruits, flowers, milk, and other products. In turn, more jobs will be created as the economy is stimulated.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Commerce, Consumer Protection and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 149 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Ige, Kanno, Kim, Sakamoto).

SCRep. 3429 (Joint) Transportation, Military Affairs, and Government Operations and Commerce Consumer Protection and Housing on S.R. No. 79

The purpose of this measure is to express legislative support for Hawaii Superferry, Inc. to establish an inter-island fast ferry service.

This measure also requests the Department of Transportation (DOT) to assist in the expeditious planning and implementation of the ferry service, and requests the Public Utilities Commission (PUC) to expeditiously process the required certification of Hawaii Superferry, Inc.

Testimony in support of this measure was received from the DOT, Department of Business, Economic Development, and Tourism, Oahu Civil Defense Agency, Carrier Corporation of Hawaii, Hawaii Superferry, Hawaii Business and Entrepreneur Acceleration Mentors, Kauai Economic Development Board, Pineapple Growers Association of Hawaii, and nine individuals. Comments were received from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs.

The interisland ferry system proposed in this measure provides an alternative transportation choice for travel between the islands. The superferry could become a viable substitute for an interstate highway system linking the islands.

According to testimony of Hawaii Superferry, the ferry vessels have been designed specifically to handle rough interisland channels to ensure a comfortable ride for passengers. The ships are large (longer than a football field), use unique semi-SWATH-type hulls, and employ the world's most advanced computer-controlled ride systems. The vessels will use the cleanest and most energy-efficient marine engines in the world, which exceed the strict new 2007 Environmental Protection Administration emissions requirements. These vessels are also "zero discharge."

Hawaii Superferry will provide a low-cost, fast, convenient, and comfortable alternative for interisland travel for passengers and for cargo. Passengers will be able to transport their own vehicles, and business will be able to transport goods and services to customers

on other islands. These goods include a wide variety of locally produced vegetables, fruits, flowers, milk, and other products. In turn, more jobs will be created as the economy is stimulated.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Commerce, Consumer Protection and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 79 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Ige, Kanno, Kim, Sakamoto).

SCRep. 3430 Water, Land, and Agriculture on S.C.R. No. 64

The purpose of this measure is to request the Department of Land and Natural Resources to formulate a comprehensive management plan designed to preserve and protect the Hawaiian spinner dolphin populations inhabiting the areas near and around the Waianae coast.

Testimony in opposition to the measure was submitted by the Chairperson of the Board of Land and Natural Resources and Animal Rights Hawaii, Advocates for Animals.

Your Committee finds that the increase in commercial tour operators organizing dolphin-viewing expeditions is disturbing those creatures and disrupting commercial fishing operations in areas where dolphins are found. Your Committee heard the concerns of the Chairperson of the Board of Land and Natural Resources and amended the measure accordingly.

Your Committee has amended the measure by changing the purpose of the measure to a request to the National Oceanic and Atmospheric Administration to work cooperatively with the Department of Land and Natural Resources to ensure that dolphin-watching activities and other human interactions with Hawaii's spinner dolphins are managed in a manner consistent with the United States Marine Mammal Protection Act and community-based, marine mammal conservation, while also providing for economically optimal and socially acceptable levels of ocean use. Your Committee also amended the title of the measure to reflect that change, as follows:

“REQUESTING THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION TO WORK WITH THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO ENSURE THAT THE HAWAIIAN SPINNER DOLPHIN POPULATION ARE MANAGED AND PROTECTED IN A MANNER THAT IS CONSISTENT WITH THE UNITED STATES MARINE MAMMAL PROTECTION ACT.”

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 64, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 64, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3431 Water, Land, and Agriculture on S.R. No. 29

The purpose of this measure is to request the Department of Land and Natural Resources to formulate a comprehensive management plan designed to preserve and protect the Hawaiian spinner dolphin populations inhabiting the areas near and around the Waianae coast.

Testimony in opposition to the measure was submitted by the Chairperson of the Board of Land and Natural Resources and Animal Rights Hawaii, Advocates for Animals.

Your Committee finds that the increase in commercial tour operators organizing dolphin-viewing expeditions is disturbing those creatures and disrupting commercial fishing operations in areas where dolphins are found. Your Committee heard the concerns of the Chairperson of the Board of Land and Natural Resources and amended the measure accordingly.

Your Committee has amended the measure by changing the purpose of the measure to a request to the National Oceanic and Atmospheric Administration to work cooperatively with the Department of Land and Natural Resources to ensure that dolphin-watching activities and other human interactions with Hawaii's spinner dolphins are managed in a manner consistent with the United States Marine Mammal Protection Act and community-based, marine mammal conservation, while also providing for economically optimal and socially acceptable levels of ocean use. Your Committee also amended the title of the measure to reflect that change, as follows:

“REQUESTING THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION TO WORK WITH THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO ENSURE THAT THE HAWAIIAN SPINNER DOLPHIN POPULATION ARE MANAGED AND PROTECTED IN A MANNER THAT IS CONSISTENT WITH THE UNITED STATES MARINE MAMMAL PROTECTION ACT.”

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 29, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 29, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3432 (Joint) Water, Land, and Agriculture, Education and Science, Arts, and Technology on S.C.R. No. 120

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study to evaluate the feasibility and necessity of the creation of a Mauna Kea Science Reserve Authority.

Testimony in support of this measure was received from Office of Hawaiian Affairs, Sierra Club, Mauna Kea Anaina Hou, and fifty individuals. Testimony in opposition was received from the Office of Mauna Kea Management. Comments were received from the Board of Land and Natural Resources (DLNR), Department of Business, Economic Development and Tourism, Legislative Reference Bureau (LRB), Hawaii Island Economic Development Board, and Kahea, the Hawaiian-Environmental Alliance.

Your Committees find that the current management of the Mauna Kea science reserve under the University of Hawaii Institute of Astronomy, in collaboration with the DLNR, has raised concerns from community groups of the necessity for a new management authority. Your Committees are aware that there is disagreement as to the validity of statements in this measure. However, your Committees defer to findings and recommendations of the study.

The utmost concern of your Committees is to ensure that the management of the science reserve is conducted in a manner that is independent and in the best interests of the State, and that protects the area's natural, cultural, and historic resources while adequately addressing the concerns of local groups in a timely manner.

The intent of this measure is to conduct an independent study and analysis of the current management situation and alleged problems, with the result of ascertaining the best form of management authority with the responsibility to maintain, operate, and manage the Mauna Kea science reserve and facilities attached thereto.

Your Committees have amended this measure by substituting the Auditor for the LRB in conducting the study, and amending the title accordingly.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Education and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 120, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 120, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 6 (Aduja, Kawamoto, Menor, Hemmings, Hogue, Whalen).

SCRep. 3433 (Joint) Water, Land, and Agriculture, Education and Science, Arts, and Technology on S.C.R. No. 162

The purpose of this measure is to request the Legislative Reference Bureau to study issues relating to a new project permitting process for managing the Mauna Kea Science Reserve.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. Testimony in support of the proposed S.D. 1 was received from the Office of Hawaiian Affairs, the Sierra Club-Hawaii Chapter, Mauna Kea Anaina Hou, and fifty individuals. Comments on the proposed S.D. 1 were received from the Board of Land and Natural Resources, the Office of Hawaiian Affairs, the Director of the Office of Mauna Kea Management at the University of Hawaii, Hilo, the Legislative Reference Bureau, the Hawaii Island Economic Development Board, and Kahea-the Hawaiian Environmental Alliance.

Your Committees find that Mauna Kea is a valuable resource to many different communities, including the Hawaiian community and the scientific community. The permitting process has been a particular source of controversy, and your Committees find that it must be resolved in a way that is respectful of the needs of these diverse users. Your Committees found disparities in viewpoints and factual allegations, but find that this only enhances the need for an even-handed study by a neutral party.

Your Committees have amended this measure by adopting the amendments in the proposed S.D. 1, and by changing the entity performing the study from the Legislative Reference Bureau to the Auditor and changing the focus from a project permitting process to a project approval process.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Education and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 162, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 162, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 6 (Aduja, Kawamoto, Menor, Hemmings, Hogue, Whalen).

SCRep. 3434 (Joint/Majority) Transportation, Military Affairs, and Government Operations and Ways and Means on S.C.R. No. 118

The purpose of this measure is to disapprove of the recommendations of the 2004 Executive Salary Commission.

Comments on this measure were received from the Department of Human Resources Development.

Section 26-55, Hawaii Revised Statutes (HRS), enacted by Act 122, Session Laws of Hawaii 2003, established a five-member Executive Salary Commission (Commission) to convene every eight years beginning in November 2003, and to recommend an appropriate salary for the Governor, Lieutenant Governor, and each department head or executive officer, as well as appropriate salary ranges for the deputy department heads. The Commission filed its report with the Legislature of recommended salary increases on February 17, 2004.

This is the first ever executive salary commission system and the first ever report to the Legislature. Therefore, it is necessary for the Legislature to express its preferences to the Commission on its expectations of the Commission's report.

Your Committees find that the Commission's report lacks sufficient explanation of the justification for the recommendations. Merely attaching exhibits as appendices does not suffice as a narrative of why and how the Commission came to its recommendations. Furthermore, the Commission had no statutory authority to establish a tiered system of compensation for department heads, nor to grant a two percent compounded adjustment to be made annually. The Commission also failed to explain the impact of the salary adjustments on the pension and retirement benefits of public employees, which is funded by the general fund. Your Committees believe that it is incumbent upon the Commission to seek the input of the Board of Trustees of the retirement system on these items. Your Committees believe that any increases in retirement benefits resulting from salary increases should be factored into the recommendations.

Your Committees have amended this measure by:

- (1) Clarifying what is expected in the Commission's new report when it reconvenes;
- (2) Expressing the Legislature's concerns regarding the Commission's recommendations for salary tiers and an annual adjustment; and
- (3) Expressing that current department heads have not suffered a fourteen year freeze in pay.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 118, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 118, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 5 (Aduja, Hooser, Menor, Sakamoto, Whalen).

SCRep. 3435 (Majority) Ways and Means on S.C.R. No. 119

The purpose of this measure is to adopt a legislative response to the judicial salary recommendations of the 2004 Judicial Salary Commission.

Specifically, the concurrent resolution sets forth the Judicial Salary Commission's salary recommendations, effective July, 2005:

- (1) The Chief Justice of the Supreme Court - \$140,000;
- (2) The Associate Justices of the Supreme Court - \$135,000;
- (3) The Chief Judge of the Intermediate Court of Appeals - \$130,000;
- (4) The Associate Judges of the Intermediate Court of Appeals - \$125,000;
- (5) The Judges of the Circuit Courts - \$121,600;
- (6) The Judges of the District and District Family Courts and Per Diem Judges - \$114,600;
- (7) The appointed Administrative Director - \$105,000; and
- (8) The appointed Deputy Administrative Director - \$100,000.

The measure expresses the Legislature's belief that allowing the Commission's recommendations on judicial salaries to become effective is not in the overall public interest. In addition, the concurrent resolution requests the Commission to reconvene in November 2004 to consider the Legislature's concerns and submit a report that includes new judicial salary recommendations to the Twenty-Third Legislature of the Regular Session of 2005.

Your Committee recognizes that the Judicial Salary Commission members held a number of meetings and received a great deal of information in connection with their recommendations. Your Committee believes that the Commission's efforts were thorough and considered a wealth of material. It is not disputed that an increase in judicial salaries is desirable; however, it is the Committee's belief that the State's economic condition cannot support the recommended salary increases at this time. We support the concurrent resolution's request for the Judicial Salary Commission members to reconvene and present new salary recommendations that have taken into consideration legislative concerns expressed in the measure.

Upon further consideration, your Committee has amended this measure to:

- (1) Recognize the efforts of the members of the Judicial Salary Commission, commending them for their thorough, thoughtful consideration of all material presented to them;
- (2) Recognize the broad-based support for judicial salary increases;
- (3) Request the Commission to consider not including an escalator clause as part of their new judicial salary recommendations that result from their reconvening in November, 2004; and
- (4) Make a few technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 119, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 119, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 4 (Inouye, Hemmings, Slom, Trimble). Excused, 6 (English, Hooser, Kawamoto, Kim, Sakamoto, Tsutsui).

SCRep. 3436 Education on Gov. Msg. Nos. 404, 405 and 406

Recommending that the Senate advise and consent to the nominations of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 404 ARLENE E. ILAE, for a term to expire 06-30-04;

G.M. No. 405 ARLENE E. ILAE, for a term to expire 06-30-08; and

G.M. No. 406 KEVIN MULLIGAN, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

ARLENE E. ILAE has over twenty-five years of experience as a union representative, with ten years as a shop steward and fifteen years as a senior business representative with hotel Employees and Restaurant Employees, AFL-CIO, Local 5. She is currently the office working supervisor for Unity House, Inc. In these capacities she has been involved in negotiations and administrative tasks. She also holds a certificate in general business from Windward Community College, as well as various further educational coursework with the Center for Labor Education and Research at the University of Hawaii.

KEVIN MULLIGAN has served as a union agent with the Hawaii Government Employees Association during 1980-82 and 1993 to present. Mr. Mulligan has also worked as a personnel officer with Kauai Community College and as a personnel management specialist in the Department of Human Resources Development. Working in these capacities has given Mr. Mulligan extensive experience in labor relations, human resources, public administration, public policy, and legislative advocacy.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

SCRep. 3437 Commerce Consumer Protection and Housing on Gov. Msg. No. 407

Recommending that the Senate advise and consent to the nomination of the following:

PUBLIC UTILITIES COMMISSION (PUC)

G.M. No. 407 CARLITO P. CALIBOSO, for a term to expire 06-30-10,

Testimony in support of the nomination of CARLITO P. CALIBOSO was submitted by the Director of Budget and Finance, Consumer Advocate, staff of the Public Utilities Commission (PUC), Office of Economic Development of the City and County of Honolulu, the councilmember from District IV of the Honolulu City Council, Hawaii Transportation Association, The Legislative Center, Akaku: Maui Community TV, and twenty-three individuals.

The testimony was in strong and unanimous support of the nominee and spoke to his intelligence, industriousness, professionalism, integrity, fairness, and humility. Further, in his testimony before your Committee, Mr. Caliboso affirmed his understanding of the complexity and importance of the issues facing the PUC and his commitment to public service.

Mr. Caliboso earned degrees in business administration and law from the University of Hawaii, where he served as an editor on Law Review and received several awards for academic excellence. Mr. Caliboso has practiced law since 1991 in both the public and private sectors. Prior to joining the Commission, the nominee practiced primarily in the areas of business and commercial transactions.

Mr. Caliboso has served as Chair of the PUC since April 30, 2003. In the past year, Mr. Caliboso has attended several intensive training workshops and conferences endorsed or held by the National Association of Regulated Utilities Commissioners. Additionally, Mr. Caliboso was recently appointed to the Federal Communication Commission's Intergovernmental Advisory Committee, which provides ongoing advice to the FCC on a broad range of telecommunications issues of interest to state, local, and tribal governments, including cable and local franchising, public rights-of-way, facilities siting, universal service, broadband access, barriers to competitive entry, and public safety communications.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3438 Water, Land, and Agriculture on Gov. Msg. No. 156

Recommending that the Senate advise and consent to the nomination of the following:

LAND USE COMMISSION

G.M. No. 156 KYONG-SU IM, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of the nominee from fifteen individuals. The Sierra Club, Hawaii Chapter submitted comments regarding the nominee's appointment.

Kyong-su Im is a principal member of the Honolulu law firm Im Hanifin Parsons, a limited liability law company. He graduated magna cum laude from Brooklyn College in 1985 with a Bachelor of Arts degree and received his Juris Doctorate from the New York University School of Law in 1988. Mr. Im has an extensive background in business and his practice is concentrated in the areas of business and corporate law; real estate acquisition, financing, development, operation, and sales; banking and lending law; construction law; condominium law; and land use, zoning, and environmental law. Mr. Im was the 1994-1996 president of the Hawaii Korean Chamber of Commerce and has been a member of its Board of Directors since 1994. He is also one of the founders and president of the National Conference of Korean American Leaders. Mr. Im is fluent in Korean and is the official legal counsel to the Consulate General of the Republic of Korea in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3439 Water, Land, and Agriculture on Gov. Msg. No. 167

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

G.M. No. 167 JAMES A. FRAZIER, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of the nominee from the Chairperson of the Commission on Water Resource Management, Manager of the Hawaii County Department of Water Supply, Hawaii Leeward Planning Conference, Chairman of the Mauna Kea Soil & Water Conservation District, President of the Hawaii Island Economic Development Board, Waimea Water Services, Inc., Waimea Outdoor Circle, Hawaii Agricultural Research Center, Pineapple Growers Association of Hawaii, and six individuals. The Sierra Club, Hawaii Chapter submitted comments regarding the nominee's appointment.

James A. Frazier is a retired former Executive Director of the Natural Energy Laboratory of Hawaii who managed ocean and domestic water resources for four years in Kona. He has an additional thirty-five years of experience in agribusiness on all of the major islands in the State. Mr. Frazier has extensive experience in water resource management from years of working on irrigation ditch systems on sugar plantations and his involvement with the major ground water supply systems on Oahu and Maui. He served as president of the Hawaiian Sugar Technologist, and served on several Soil and Water Conservation Boards and other professional and community boards. Mr. Frazier is a graduate of Punahou School and Colorado State University.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3440 Water, Land, and Agriculture on Gov. Msg. No. 170

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION

G.M. No. 170 TEENA M. RASMUSSEN, for a term to expire 06-30-05,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of the nominee from the Chairperson of the Board of Agriculture, Executive Director of the Agribusiness Development Corporation, Hawaii Agricultural Research Center, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, and two individuals.

TEENA MARIE RASMUSSEN, with her husband Craig, is the co-owner of a fifty-six acre farm in Kula, Maui called Paradise Flower Farms, Inc. Mrs. Rasmussen is a current member of the Board of Directors of the Agribusiness Development Corporation and has twenty-seven years of farming experience. She has served on numerous boards in many capacities, including Chair of the Maui Chamber of Commerce, and member of the Maui Economic Development Board, Farm Service Agency State Committee, Hawaii Tropical Flower Council, and Small Business Administration Regional Advisory Board. Mrs. Rasmussen was educated at Washington State University, California State Fullerton, and Chaminade University.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3441 Water, Land, and Agriculture on Gov. Msg. No. 251

Recommending that the Senate advise and consent to the nomination of the following:

KANEOHE BAY REGIONAL COUNCIL

G.M. No. 251 KEOKI A. LEONG, for a term to expire 06-30-05,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of KEOKI A. LEONG from the Department of Land and Natural Resources, two State Representatives, the Kaneohe Neighborhood Board, and one individual. Mr. Leong was born and raised in Hawaii and graduated with a Bachelor of Arts degree in Justice Administration from Hawaii Pacific University. He is currently employed as the Chief of Staff for State Representative Kika G. Bukoski. Mr. Leong is committed to public service and currently serves on the Kaneohe Neighborhood Board No. 30. Additionally, Mr. Leong is an active and contributing member of his community as evidenced by his participation in numerous community events such as the Hawaii Food Bank Stomp Out Hunger Food Drive, the Kailua Fourth of July Parade as well as serving as a volunteer coordinator for the Lieutenant Governor's Community Ice Talk in Kailua.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3442 Water, Land, and Agriculture on Gov. Msg. Nos. 340 and 341

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 340 JO-ANNA NAKATA, for a term to expire 06-30-07; and

G.M. No. 341 CYNTHIA K.L. REZENTES, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of JO-ANNA NAKATA from the Department of Agriculture, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau, and four individuals. Ms. Nakata graduated with a Bachelor of Arts Degree from the University of Hawaii and earned a Masters Degree in Public Health from UCLA. She is the principal of her own consulting firm specializing in public health, capacity building, and community development. Ms. Nakata has extensive experience in the field of agriculture, both in the private and public sectors. She served as the State Executive Director of the United States Department of Agriculture's Farm Service Agency for Hawaii and the Pacific Basin, and worked as an analyst on the Governor's Agriculture Coordinating Committee and was a staff member on the Hawaii Farm Bureau Federation. Ms. Nakata has also worked in the field of public health and was involved in public health promotion initiatives for the United States Department of Health as well as St. Francis Hospital. She has been serving as an interim appointee on the Advisory Committee on Pesticides since July 2003. Drawing upon her experience in the Hawaii agricultural industry as well as her familiarity with federal economic development programs, Ms. Nakata is not only well informed, but able to provide important input concerning the various issues before this Committee.

Your Committee received testimony in support of CYNTHIA K.L. REZENTES from the Department of Agriculture, the Hawaii Agriculture Research Center, the Lualualei Ahupua'a Council, and one individual. Ms. Rezendes was born and raised in Hawaii and earned a Bachelor of Science degree in Electrical Engineering from Gonzaga University as well as a Master of Science degree in Electrical/Electronic Engineering from the University of New Mexico. Ms. Rezendes worked for IBM in various engineering and management positions for nineteen years and currently devotes her time and energies working with numerous community organizations in Waianae. Ms. Rezendes is the Director and President of the Oahu Resource Conservation and Development Council, an organization that provides support and resources for various community-based environmental initiatives. She is also a member and Secretary of Mohala I Ka Wai, a local watershed management initiative in partnership with the Board of Water Supply that is responsible for watershed management in Waianae as well as Makaha Valley. Ms. Rezendes has also been serving as an interim appointee on the Advisory Committee on Pesticides for the past year.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3443 Water, Land, and Agriculture on Gov. Msg. No. 375

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF AGRICULTURE

G.M. No. 375 ALAN H. GOTTLIEB, for a term to expire 06-30-05,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of this nominee from the Department of Agriculture, the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, Agriculture International, Inc., Alluvion, Animal Rights Hawai'i, the Certified Group, the Estate of James Campbell, Hawaii Agriculture Research Center, Hawaii Farm Bureau, Hawaii Island Economic Development Board, Hu'ehu'e Ventures, Kaanapali Development Corporation, Kahua Ranch, Kaupo Ranch, King & Neel, Inc., Mac Farms of Hawaii, Maui Cattlemen's Association, Maui Cattlemen's Council, Maui County Farm Bureau, Palani Ranch Company, Performance Landscapes, Pineapple Growers Association of Hawaii, Ponoholo Ranch, Tropical Hawaiian Products, and eight individuals.

ALAN H. GOTTLIEB received a Bachelor of Business Administration degree from the University of Hawaii. He has served as a board member for the Western States Meat Association and West Oahu Soil and Water Conservation District; Chairman of the Agricultural Leadership Foundation of Hawaii; and Vice President for the Meat and Poultry Association of Hawaii. Mr. Gottlieb is currently a board member of the Hawaii Beef Industry Council and Hawaii Cattlemen's Council.

The nominee has also worked in the agriculture industry for over twenty-four years starting as a Controller for the Kahua Beef Sales, Inc. and Kahua Meat Company, eventually becoming the General Manager. Mr. Gottlieb was also the General Manager of Kahua Nurseries, Inc. and is currently the Secretary, Treasurer, and Business Manager for Ponoholo Ranch Limited, the Vice President of Kahua Ranch Limited, and the Chief Operating Officer of Hawaiian Earth Products, Ltd.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3444 Water, Land, and Agriculture on Gov. Msg. Nos. 401, 402 and 403

Recommending that the Senate advise and consent to the nominations of the following:

NATURAL AREA RESERVE SYSTEM COMMISSION

G.M. No. 401 DALE B. BONAR, for a term to expire 06-30-08;

G.M. No. 402 RICHARD F. HUGHES, Ph.D., for a term to expire 06-30-08; and

G.M. No. 403 LLOYD LEE LOOPE, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of DALE B. BONAR from the Department of Land and Natural Resources and three individuals. Dr. Bonar was born and raised in Hawaii and earned a Bachelors degree in Biology from Whitman College and a Ph.D in Zoology from the University of Hawaii. Dr. Bonar was a zoology professor at the University of Maryland and its Center for Marine Biotechnology for sixteen years. Dr. Bonar formed his own environmental consulting firm, Aquatic Environmental Sciences, which provided environmental consulting services in Washington State and Alaska. In addition, Dr. Bonar is active in a number of community organizations devoted to raising public awareness on various conservation issues. Dr. Bonar was the Northwest Director of the National Land Trust Alliance, an organization that provides training and mentoring programs for the development of land trusts throughout the nation. Upon his return to Hawaii two years ago, Dr. Bonar was chosen to serve as the first Executive Director of the Maui Coastal Land Trust. Dr. Bonar's experience and knowledge of land conservation and stewardship issues makes him well qualified to serve on the Natural Area Reserve System Commission.

Your Committee received testimony in support of RICHARD F. HUGHES, Ph.D., from the Department of Land and Natural Resources and three individuals. Dr. Hughes earned a Bachelors Degree in Human Biology as well as a Masters Degree in Biology from Stanford University. Dr. Hughes also earned a Ph.D. in Forest Science from Oregon State University. For the past three years, Dr. Hughes has worked as a Research Ecologist on the Invasive Species Team of the Institute of Pacific Island Forestry for the United States Department of Agriculture, Forest Service in Hilo, Hawaii. Dr. Hughes' research focuses on the impact of invasive species on the native ecosystems of Hawaii and other Pacific islands. His research is dedicated to identifying priorities and providing management recommendations designed to protect native ecosystems in Hawaii against the threats posed to them by non-native species. Dr. Hughes' research and work in the field of forestry makes him well qualified to serve on the Natural Area Reserve System Commission.

Your Committee received testimony in support of LLOYD LEE LOOPE from the Department of Land and Natural Resources and three individuals. Dr. Loope graduated from Virginia Polytechnic Institute and State University with a Bachelor of Science degree in Biology. Dr. Loope also earned a Ph.D. in Botany, specializing in plant ecology from Duke University. Dr. Loope is a Research Scientist with the United States Geological Survey, Biological Resources Division at the Pacific Island Ecosystems Research Center located at Haleakala. Dr. Loope's research interests for the past twenty-three years have been focused on the conservation biology of Haleakala National Park and the island of Maui, with an emphasis on the biology of invasive species and dryland forest restoration. Additionally, Dr. Loope has been active on the Maui Invasive Species Committee for the past thirteen years as well as the State's Coordinating Group on Alien Pest Species. Dr. Loope is also an Adjunct Faculty Member in the Department of Botany and the Center for Conservation Research and Training at the University of Hawaii at Manoa. Dr. Loope's research and experience in the field of plant biology makes him well qualified for appointment to the Natural Area Reserve System Commission.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Record of votes for Richard F. Hughes, Ph.D.:
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Signed by the Chair on behalf of the Committee.
Record of votes for all other nominees:
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

SCRep. 3445 Health on Gov. Msg. No. 388

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

G.M. No. 388 JOAN DOBBS PH.D., C.N.S., for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Health Planning Council, Honolulu Subarea.

Testimony in favor of nominee JOAN DOBBS was submitted by the State Health Planning and Development Agency and eleven individuals.

Ms. Dobbs is a Lecturer and Assistant Specialist at the University of Hawaii and specializes in Human Nutrition, Food, and Animal Sciences. Her degrees include a Bachelor of Science in Dietetics and Nutrition from Michigan State University and a Doctorate in Nutrition from the University of California, Davis. Throughout her career she has served the public in numerous capacities including co-authoring over 200 Honolulu Star Bulletin "Health Options" columns and as the Director of Heritage Program, Nature Conservancy of Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

SCRep. 3446 Judiciary and Hawaiian Affairs on S.R. No. 113

The purpose of this measure is to request an audit of the University of Hawaii's (UH) efforts to recruit and retain Hawaiian students at UH, use that audit as a baseline, and evaluate the results and implement a plan to improve the enrollment of Hawaiian students.

Testimony in support of this measure was submitted by UH, Office of Hawaiian Affairs, Ka Lahui Hawaii Political Action Committee, and three individuals.

Your Committee finds that although children of Hawaiian ancestry represent twenty-seven percent of students in public schools, less than ten percent of the students attending UH are of Hawaiian ancestry. In its ninety-seventh year, UH's student body has grown and changed dramatically; however, one fact remains the same: Hawaiians continue to be underrepresented at UH.

Your Committee finds that both the Legislature and UH are committed to increasing support for the education of Hawaiians, and moneys have been allotted for programs to do so. However, your Committee believes that in order to ensure the success of these programs and to efficiently plan, implement, track, and improve strategic efforts to increase Hawaiian student enrollment, the plan must be linked to measurable outcomes.

Your Committee has amended this measure by:

- (1) Adopting the amendment suggested by the University of Hawaii to establish more than one task force to evaluate the results of the audit and plan for the improvement of services to recruit and retain Hawaiian students;
- (2) Adopting the amendments suggested by the Office of Hawaiian Affairs to change all references to "Hawaiians" and "Part Hawaiians" to "native Hawaiians" and "Hawaiians";
- (3) Amending the title to reflect the changes made in paragraphs (1) and (2); and
- (4) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 113, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 113, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3447 Science, Arts, and Technology on Gov. Msg. No. 246

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII HISTORIC PLACES REVIEW BOARD

G.M. No. 246 JOYCE NAOMI CHINEN, Ph.D., for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of JOYCE NAOMI CHINEN, Ph.D., from the Department of Land and Natural Resources. Dr. Chinen was born and raised in Hawaii and earned her Ph.D. in Sociology from the University of Hawaii at Manoa. Dr. Chinen has thirty years experience teaching and conducting research in the field of sociology at the university level and is currently a Professor of Sociology at the University of Hawaii, West Oahu. Dr. Chinen's long standing research interests in the fields of race, ethnicity, gender, and class relations will ensure that historic properties nominated to the Hawaii and National Register of Historic Places adequately reflects the State's various ethnic and social groups as well as their histories. Dr. Chinen has served on the Hawai'i Historic Places Review Board under a previous administration and has been serving as an interim appointee since last year. Dr. Chinen's impressive educational background, diverse research interests, and prior experience makes her well qualified for appointment to the Hawai'i Historic Places Review Board.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3448 Science, Arts, and Technology on Gov. Msg. Nos. 395, 396 and 397

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF KAUA'I AND NI'HAU

G.M. No. 395 DONNA A`ANA-NAKAHARA, for a term to expire 06-30-07;

G.M. No. 396 BARBARA J. SAY, for a term to expire 06-30-07; and

G.M. No. 397 HENRIETTA ESTHER KULAMANU THAXTON, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of DONNA A`ANA-NAKAHARA from the Board of Land and Natural Resources and two individuals. Ms. A`ana-Nakahara has served as a resource coordinator for Kamehameha Schools on Kauai for nineteen years. She holds a Bachelor of Education degree from the University of Hawaii at Manoa. Previously, she served the County of Kauai as a community block grant specialist. Ms. A`ana-Nakahara is a member of various community and professional organizations including the Kauai Planning and Action Alliance Committee.

Your Committee received testimony in support of BARBARA J. SAY from the Board of Land and Natural Resources. Ms. Say is a life long resident of the Island of Kauai. She was employed by the Sheraton Princeville Hotel for eighteen years and received many honors for her work in the beverage department of the hotel. Ms. Say has served as secretary of the Oha Hui Kaahumanu Hanalei.

Your Committee received testimony in support of HENRIETTA ESTHER KULAMANU THAXTON from the Board of Land and Natural Resources. She currently works as a cultural resource for the Kupuna Program in the Kapa`a Middle School for the Department of Education. Growing up in a traditional rural Hawaiian family, she acquired an understanding of Native Hawaiian customs and practices, particularly the care and protection of Native Hawaiian burial sites. Ms. Thaxton was previously employed as a manager by the Kauai Marriot Resort and Hotel. She attained her education from Kaimuki High School, the Honolulu Beauty School, and through the life experience of raising six children. Ms. Thaxton is a member of three Hawaiian Benevolent societies. She served three years as a board member of Papa Kahuna and has been a kupuna at Wilcox Elementary School in Lihue.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3449 Science, Arts, and Technology on Gov. Msg. No. 398

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF MAUI AND LANAI

G.M. No. 398 MEI LEE WONG, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of MEI LEE WONG was received from the Board of Land and Natural Resources and two individuals. Ms. Wong has worked in the development and construction industry for nine years. She was previously employed as an escrow officer in Hacienda Heights, California, and worked closely with the local Board of Realtors. Ms. Wong holds a Masters of Business Administration from the University of Virginia Darden Graduate School and a Bachelor of Science in business administration from California State University of Los Angeles. She is a member of the Urban Land Institute.

Your Committee finds that the nominee has served on the Maui and Lanai Island Burial Council since 1999 and thus is very familiar with the role and responsibilities of the council.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3450 Science, Arts, and Technology on Gov. Msg. Nos. 399 and 400

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

G.M. No. 399 CY M. BRIDGES, for a term to expire 06-30-07; and

G.M. No. 400 KALEI S. KINI, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of CY M. BRIDGES from the Board of Land and Natural Resources. Mr. Bridges was employed as a cultural island manager and director, as well as theater director, of the Polynesian Cultural Center for twenty-two years. He graduated from Kahuku High School and attended The Church College of Hawaii and Brigham Young University (BYU). Mr. Bridges is a board member of the BYU Hawaii Polynesian Institute and the Native Hawaiian Hospitality Association. He is also active in various community organizations.

Your Committee received testimony in support of KALEI S. KINI from the Board of Land and Natural Resources. Mr. Kini is employed by the state Department of Budget and Finance. He holds a Bachelor of Science degree in computer science from Griffin College. Mr. Kini is a frequent volunteer of community and church events.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 3451 (Majority) Ways and Means on H.B. No. 1919

The purpose of this measure is to give fair treatment to public employees who are excluded from a collective bargaining unit in terms of compensation and benefit adjustments compared to their fellow public employee counterparts who receive compensation and benefits under collective bargaining agreements.

Specifically, this measure requires each respective governmental jurisdiction to provide adjustments for its respective excluded civil service employees that are at least equal to the compensation and benefits packages provided under collective bargaining agreements for their counterparts within the employer's jurisdiction.

Your Committee finds that, at present, adjustments for excluded employees are permitted to be lower than adjustments covered under a collective bargaining agreement. Your Committee further finds that it is patently unfair not to treat these excluded civil service employees, a majority of whom are career civil servants who have competed and served in exactly the same way as their non-excluded counterparts, in the same manner.

Your Committee believes that, in the interest of fairness and equity, excluded civil servants must be adequately compensated at a level which is at least equal to their counterparts who are covered by collective bargaining.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1919, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3452 Ways and Means on H.B. No. 2446

The purpose of this measure is to make an emergency appropriation of funds to enable the Department of Education to pay for collective bargaining increases for departmental employees who are members of bargaining units 1 and 5.

Your Committee finds that wages were increased in January 2003 for these bargaining units. However, funding for these mid-year increases were inadvertently omitted from the executive biennium budget proposal. Your Committee further finds that without the emergency appropriation authorized under this measure, the department will lack sufficient funds to pay for these increases this present fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2446, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3453 Ways and Means on H.B. No. 2466

The purpose of this measure is to make an emergency appropriation to the Department of Human Resources Development in the amount of \$3,055,896 for the payment of workers' compensation claims.

Your Committee finds that \$4,993,726 was appropriated to the Department of Human Resources Development pursuant to Act 200, Session Laws of Hawaii 2003, for the payment of workers' compensation claims against the State. However, because current funding levels fail to meet existing and anticipated costs associated with the workers' compensation program, this emergency appropriation is necessary to ensure that the State is capable of fulfilling its obligations under the law. These rising costs include increases in the cost of medical care, the maximum weekly compensation rate, and the cost-of-living allowance for claimants receiving permanent total disability benefits.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2466, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Kanno, Kim, Sakamoto).

SCRep. 3454 Ways and Means on H.B. No. 2293

The purpose of this measure is to repeal obsolete statutory provisions concerning interstate compacts for the supervision of adult offenders on probation or parole because supervision of these offenders is now accomplished under a new interstate compact.

Your Committee finds that, in 1957, the interstate parole and probation compact was enacted to manage the movement of offenders among the various states. However, the administration of the compact suffered over the years with the growing population of adult offenders, and reform of the compact was needed. In 2000, the Legislature adopted the new interstate compact for the supervision of adult offenders, which was codified as Chapter 353B, Hawaii Revised Statutes, and became effective in November 2003.

Although the new compact was intended to replace the old Interstate Parole and Probation Compact in part III of Chapter 353, Hawaii Revised Statutes, the old compact was not repealed. Your Committee believes that there is no need for two interstate compacts, and as such, the old interstate parole and probation compact should be repealed. This measure repeals the old compact and conforms references within the Hawaii Revised Statutes to the new compact.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2293, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Aduja, English, Kanno).

SCRep. 3455 (Majority) Ways and Means on H.B. No. 2294

The purpose of this measure is to improve public safety by improving the services of the Judiciary, and access through improved technology.

Specifically, the bill increases the administrative fees imposed for processing traffic cases and requires that the additional moneys collected as a result of the increase be deposited into the Judiciary Computer Systems Special Fund.

Your Committee finds that the Judiciary Computer Systems Special Fund was established to provide a source of revenue to upgrade the Judiciary's computer system. Although the fund has been used for a number of major advances in technology, more improvements are necessary.

Your Committee finds that this measure, which will permit the Judiciary to retain one-half of the fees collected for administrative costs for processing traffic citations, will help to defray the costs of the continued upgrade of the Judiciary's computer system. This upgrade will benefit court users and others needing to interface with the Judiciary and its courts by improving service and access to information maintained by the Judiciary.

Your Committee notes that, last year, the Legislature passed a similar measure that directed existing fees charged for administrative costs imposed in traffic cases to be deposited in the Judiciary Computer Systems Special Fund. However, the Governor vetoed the measure because money otherwise deposited into the general fund would have been deposited into the special fund, thereby negatively impacting the State's limited resources.

Your Committee further notes that, unlike the vetoed measure, this measure will not adversely affect the general fund because only the increased fees generated by this measure will be deposited into the special fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2294, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Aduja, English, Kanno).

SCRep. 3456 (Majority) Ways and Means on H.B. No. 2295

The purpose of this measure is to increase the Judiciary's ability to collect any delinquent court-ordered payments by contracting with a bonded collection agency or licensed attorney to collect payments.

The measure also provides that any collection costs, which shall not exceed fifty per cent of the amount collected, shall be added to the amount due and retained by the collection agency.

Your Committee finds that this provision allows the Judiciary more options, especially with more difficult collections that may require more resources or time.

Your Committee finds that this measure is in line with a 1988 Auditor's report that cited the importance of strengthening the Judiciary's collection efforts. The report suggests that by enhancing the effectiveness and efficiency of the Judiciary's collection efforts, the credibility of the courts, as well as state revenues, will increase.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2295, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Kanno, Sakamoto).

SCRep. 3457 (Majority) Ways and Means on H.B. No. 2296

The purpose of this measure is to authorize the use of debit cards in securing bail bonds with the courts.

Additionally, this measure allows the Judiciary to impose a convenience fee on credit and debit card payments to the courts so that the user of the credit or debit card will bear the cost of the service fee imposed on the Judiciary by the company providing the credit or debit card services.

Your Committee finds that, without the imposition of the convenience fee, the net amount received by the Judiciary from individuals who pay court costs, fees, fines, expenses, or other charges using the convenience of a credit or debit card is less than the amount received from individuals who pay the same amount by check or cash because the payment of service fees must be deducted from credit or debit card payments. This measure allows the Judiciary to receive the total amount of the court costs, fees, fines, expenses or other charges, whether the amount owed to the court is paid by cash, check, credit or debit card.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2296, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 1 (Trimble). Excused, 3 (Aduja, English, Kanno).

SCRep. 3458 Ways and Means on H.B. No. 2354

The purpose of this measure is to make an emergency appropriation of \$1,550,000 out of the state risk management revolving fund to enable the Department of Accounting and General Services to repair or replace damaged or destroyed state facilities.

Your Committee finds that the funds previously appropriated in the budget act for fiscal year 2003-2004 are now insufficient to cover the actual expenditures for the fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2354, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (Kanno, Kim, Sakamoto, Slom).

SCRep. 3459 Ways and Means on H.B. No. 2439

The purpose of this measure is to expedite the construction, installation, maintenance, repair, and replacement of civil defense warning or signal devices and sirens.

This measure accomplishes this purpose, and thereby increases public safety, by excluding these activities from the definition of "development" for purposes of coastal zone management.

Your Committee finds that the construction, installation, and replacement of civil defense warning or signal devices and sirens are frequently delayed by permit requirements that are not justified given the vital role they play in alerting the public to potentially dangerous events. Your Committee further finds that all efforts should be made to expedite the construction, installation, and maintenance of these devices and sirens.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2439, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Sakamoto).

SCRep. 3460 Judiciary and Hawaiian Affairs on Gov. Msg. No. 379

Recommending that the Senate advise and consent to the nomination of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 379 MILTON K. PA, for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee has received testimony in support of MILTON K. PA from the Department of Hawaiian Home Lands, State Council of Hawaiian Homestead Associations, and Hui Kako`o `Aina Ho`opulapula. Mr. Pa served thirty-five years with the Department of Education as a teacher and administrator. The last eight years of his career were spent as a resource teacher for the Windward Oahu District specifically teaching Hawaiian Studies. Mr. Pa earned a Bachelor of Science degree from The Church College of Hawaii, attended graduate classes at the University of Hawaii and held a Professional Certificate from the Department of Education. He is an active member of numerous Hawaiian cultural organizations, as well as various community and professional organizations. His community service includes serving as co-chair of the Oahu District Council of Association of Hawaiian Civic Clubs and first vice president of the King Kamehameha Celebration Commission.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

SCRep. 3461 Judiciary and Hawaiian Affairs on Gov. Msg. No. 408

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLAND OF OAHU

G.M. No. 408 MAUREEN K. MURAOKA, for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of MAUREEN K. MURAOKA was received from a member of the House of Representatives and four individuals. Ms. Muraoka has served as a legislative staff member for the past four years. Previously, she was employed as a medical technologist with the United States Veterans Administration and other private laboratories. She is licensed as a medical technologist in Hawaii and California and by the American Society of Clinical Pathologists. She earned a Bachelor of Science in medical technology at the University of Hawaii at Manoa.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

SCRep. 3462 Health on H.C.R. No. 141

The purpose of this measure is to request the Department of Health to establish a coordinated statewide effort to address fetal alcohol spectrum disorder (FASD).

FASD occurs in babies born to mothers who consumed alcohol while pregnant. Although Hawaii had only eighty-five reported diagnosed cases since 1986, there exists a much larger potential group of undiagnosed and untreated individuals of all ages statewide whose mothers drank alcohol while pregnant. Your Committee finds that there is a need in our State for the establishment of a coordinated system of care and services of FASD, the most preventable cause of developmental disabilities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 141, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Tsutsui).

SCRep. 3463 Health on H.C.R. No. 150

The purpose of this measure is to support and encourage national, state, and local efforts to secure access and remove barriers to health care for men and their family members.

Testimony in support of this measure was received from Bayer HealthCare and the Men's Health Network.

Your Committee finds that there is an ongoing, increasing, and predominantly silent crisis in the health and well being of American men. Due to lack of awareness, poor health education, and a paucity of male-specific health programs, men's health and well being are deteriorating steadily.

Your Committee further finds that statistics show that men's health, in particular, is at great risk. The average lifespan for American men is six years less than for women. Men also suffer higher mortality rates for the top ten causes of death. It is vital that government promotes initiatives at every level to improve health awareness, treatment, and outcomes for men.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 150, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Tsutsui).

SCRep. 3464 (Joint) Human Services and Health on H.C.R. No. 211

The purpose of this measure is to request the Department of Accounting and General Services (DAGS) to search for surplus property in the state system that could be leased to substance abuse treatment programs to assist in the treatment of recovering addicts.

The measure also requests the Department of Health and Department of Human Services to look for available federal funds and other grants to help develop housing facilities for these treatment programs.

DAGS submitted testimony commenting on this measure.

Your Committees find that effective means of combating substance abuse is needed. Efforts need to be made to facilitate the ability of organizations to establish treatment facilities and programs because they provide a valuable public service in assisting substance abusers. This measure can also assist the State by keeping these individuals out of prison and off welfare, thereby eliminating expenditures.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 211, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Kokubun, Tsutsui).

SCRep. 3465 Water, Land, and Agriculture on H.C.R. No. 124

The purpose of this measure is to provide prior authorization to the Board of Land and Natural Resources for the disposition of water rights made by lease at a public auction for nonconsumptive purposes, as required under Hawaii law.

Testimony in support of this measure was received from the Kauai Island Utility Cooperative. Offering comments on the measure was the Department of Land and Natural Resources.

Your Committee finds that under Hawaii law, in order for the Board of Land and Natural Resources to issue a lease of water rights for hydropower production purposes, prior authorization by the Legislature by concurrent resolution is required. This measure satisfies this requirement by authorizing the Board of Land and Natural Resources to issue a lease of water rights to Kauai Island Utility Cooperative for hydropower production purposes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 124, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3466 Water, Land, and Agriculture on H.C.R. No. 255

The purpose of this measure is to request the Department of Land and Natural Resources to:

- (1) Assist homeowners in preventing future erosion along Heeia, Keahala/Keolaa, Kawa, and Kaneohe streams on Oahu; and
- (2) Identify relevant and available federal and state sources of funding to repair and renovate the banks of these streams to prevent further erosion.

Offering comments on the measure was the Department of Land and Natural Resources.

Your Committee finds that this measure provides much-needed assistance to homeowners who have homes that border on the banks of the Heeia, Keaahala/Keolaa, Kawa, and Kaneohe streams by requesting the Department of Land and Natural Resources to devise a long-term strategy to prevent future erosion along these streams. The Department of Land and Natural Resources is also encouraged to explore all available sources of state and federal funding in order to obtain much needed financial assistance in carrying out this important endeavor.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 255, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3467 (Joint) Water, Land, and Agriculture and Economic Development on H.C.R. No. 260

The purpose of this measure is to request the College of Tropical Agriculture and Human Resources of the University of Hawaii to develop and manage an agribusiness incubator in Waialua.

Testimony in support of the measure was received from the Department of Agriculture and the University of Hawaii.

Your Committees find that this measure is designed to promote and nurture a strong and diversified agricultural industry in Hawaii. An agribusiness incubator, located on available agricultural lands in Waialua, would provide important financial incentives as well as business and technical expertise to entrepreneurs interested in developing new agribusiness products in Hawaii.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Economic Development that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 260, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (English, Ige, Kanno, Kawamoto, Whalen).

SCRep. 3468 Commerce Consumer Protection and Housing on H.C.R. No. 90

The purpose of this measure is to authorize a sunrise review of the regulation of money transmitters.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Your Committee finds that two measures introduced this session, H.B. No. 2428 and S.B. No. 2903, S.D. 2, H.D. 1, propose to regulate money transmitters. The Hawaii Regulatory Licensing Act requires that measures that propose to establish the regulation of an unregulated profession or vocation first be referred to the Auditor for an analysis, commonly known as a "sunrise review". The purpose of the analysis is to examine the probable effects of regulation and to assess whether regulation is consistent with the State's regulatory policies. This measure authorizes the mandatory sunrise review.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 90, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

SCRep. 3469 (Joint) Commerce Consumer Protection and Housing, Economic Development and Human Services on H.C.R. No. 123

The purpose of this measure is to prevent the further loss of affordable rentals in the State by requesting financing assistance for private developers to purchase and retain, in the rental marketplace, properties contemplated for sale by the City and County of Honolulu (City).

The Housing and Community Development Corporation of Hawaii (HCDCH) testified in support of this measure.

Your Committees find that the City is currently considering the sale of hundreds of rental units currently occupied by the elderly and low-income tenants, and that the sale of these units would further exacerbate the shortage of affordable rental properties on Oahu.

Your Committees further find that HCDCH administers a number of financing tools, such as Hula Mae multi-family bond financing, low-income housing tax credits, and Rental Housing Trust Fund gap equity financing, that could assist private developers in purchasing these properties and maintaining them on the rental market at affordable rates. Therefore, this measure requests the HCDCH to make these financing tools available to interested private developers.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Economic Development and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 123, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 7 (Ige, Inouye, Kanno, Kawamoto, Kim, Sakamoto, Tsutsui).

SCRep. 3470 (Joint) Commerce Consumer Protection and Housing and Human Services on H.C.R. No. 214

The purpose of this measure is to request a study on homeownership options for public housing tenants and on the feasibility of implementing a housing demonstration project at state housing projects.

The Housing and Community Development Corporation of Hawaii (HCDCH) testified in support of this measure.

This measure requests HCDCH to study homeownership options for public housing tenants and the feasibility of implementing a housing demonstration project at state-owned and operated housing projects, including Hauiki Homes. Your Committees find that this measure is consistent with the agency's efforts to increase homeownership opportunities for lower income families and to improve the management of its assets.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 214, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Ige, Inouye, Kim, Sakamoto, Tsutsui).

SCRep. 3471 (Joint) Health and Human Services on H.C.R. No. 103

The purpose of this measure is to request the Department of Health and the Department of Human Services to examine and report on the federally enacted Independence Plus Initiative to determine if individuals with disabilities living in Hawaii can benefit from this initiative by acquiring federal waivers for home and community based services.

Testimony in support of this measure was received from the Department of Health, the Department of Human Services, and the Council on Developmental Disabilities.

Your Committees find that this measure is designed to assist disabled individuals living in Hawaii by providing them with access to critical home and community based services. Your Committees find that having the Department of Health and the Department of Human Services determine Hawaii's eligibility for participating in this federal initiative will enhance the State's service delivery system for individuals with disabilities.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 103, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Kokubun, Tsutsui).

SCRep. 3472 Health on H.C.R. No. 152

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study on how medical marijuana plants and products may be procured and distributed to patients registered with the medical marijuana program.

Testimony in support of this measure was received from the Drug Policy Action Group, Effective Change, LLC, a graduate student, and two individuals. Comments were received from the Legislative Reference Bureau.

Your Committee finds that physicians can recommend the use of marijuana to certified patients in Hawaii. Current law allows such patients to legally possess a certain amount of marijuana for medicinal purposes, but many patients have great difficulty in acquiring either plants or products. This measure will enable a study of those problems in the hopes of finding practical solutions.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 152, H.D. 2, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kokubun, Tsutsui).

SCRep. 3473 (Joint) Health and Human Services on H.C.R. No. 154

The purpose of this measure is to request the Executive Office on Aging to provide data on Hawaii's family caregivers and the individuals that they assist.

Testimony in support of the measure was received from the Executive Office on Aging, the Policy Advisory Board for Elder Affairs, Kokua Council, and two individuals.

Your Committees find that as Hawaii's population ages, it is necessary to gather data regarding family caregivers in Hawaii and the individuals they assist. Family caregivers are the primary care givers in Hawaii and therefore information relating to cost outlays, necessary support services, and delivery of health care services must be compiled and analyzed in order to ascertain the present and

future needs of Hawaii's caregivers. This information will also provide guidance to the Legislature on a myriad of issues such as long-term care, improving access to social services, and providing economic assistance or relief to caregivers.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 154, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Kokubun, Tsutsui).

SCRep. 3474 (Joint) Health and Commerce Consumer Protection and Housing on H.C.R. No. 138

The purpose of this measure is to request the Department of Health, Hawaii Medical Association, and the American Cancer Society to support adequate levels of reimbursement for mammography services and to support physicians to be allowed to provide more access to technology.

Testimony in support of this measure was received from the Department of Health, Hawaii Pacific Health, Straub Clinic & Hospital, Hawaii Medical Association, Hawaii Radiological Society, and North Hawaii Community Hospital. Comments were received from the Hawaii Breast Society.

Your Committees find that Hawaii has the highest incidence of breast cancer among Caucasian women in the nation, and native Hawaiians have the highest incidence and death rate from the disease. Breast cancer can be prevented or survived with early detection and intervention. Access to mammograms, the best means of detecting breast cancer, is key to preventing unnecessary deaths.

Your Committees further find that mammography is currently a mandated insurance benefit under Hawaii law. The Legislature clearly intended that this reimbursement be at a level that would permit mammography clinics to provide this service. However, inadequate payment for services by private insurance and government reduces access of mammography services by women, and deters facilities from using more advanced technology. This measure will help enable hospitals and other facilities to improve access to mammography services by encouraging adequate levels of reimbursement for mammography services and providing more access to better technology.

Your Committees have amended this measure by clarifying the language to be more focused and succinct, and to add the Insurance Commissioner to the requested entities.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 138, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 138, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Ige, Kim, Kokubun, Sakamoto, Tsutsui).

SCRep. 3475 (Joint) Energy and Environment and Health on H.C.R. No. 245

The purpose of this measure is to request the Hawaii Food Industry Association and Hawaii Retailers Association to report to the 2005 Legislature on the status of backhauling packaging, crating, insulation, pallets, and other accommodating materials used for shipping.

Testimony in support of the measure was submitted by the Department of Health and Department of Environmental Management of the County of Hawaii. Testimony in opposition was received from the Hawaii Food Industry Association.

Your Committees believe that backhauling of packaging, crating, insulation, pallets, and other materials used for shipping is an effective means of reducing some of the flow of solid wastes into the State's landfills. Your Committees further believe that large "big box" retailers and wholesalers are in the best position to absorb the cost of backhauling and should do so as model corporate citizens. Your Committees also believe that the Department of Health is the appropriate entity that should determine whether backhauling by those retailers and wholesalers is feasible or should be required.

Accordingly, your Committees have amended this measure by replacing its title and contents with the language from Senate Bill No. 180, S.D. 1, that requests the Department of Health to work with the Hawaii Food Industry Association to determine the feasibility of requiring large "big box" retailers and wholesalers to backhaul packaging, crating, insulation, pallets, and other accommodating materials used for shipping, including:

- (1) Consulting with shipping and container companies to gauge the costs of such an effort; and
- (2) Determining what is currently being done to dispose of these materials and developing solutions to reduce the volume of shipping materials being used; and

to report its findings and recommendations, including any proposed legislation, to the 2005 Legislature.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 245, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 245, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hooser, Inouye, Kanno, Hogue).

SCRep. 3476 Water, Land, and Agriculture on H.C.R. No. 13

The purpose of this measure is to authorize the Board of Land and Natural Resources to issue a lease for a term, non-exclusive easement covering a portion of state submerged lands at Kaneohe, Koolaupoko, Oahu, Hawaii, for maintenance of breakwater purposes, pursuant to section 171-53, Hawaii Revised Statutes.

Testimony in support of the measure was submitted by the Chairperson of the Board of Land and Natural Resources.

Your Committee believes that issuing a maintenance easement to the current owner of the land abutting the breakwater will benefit the State by eliminating the need for the State to allocate its resources for that purpose.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 13, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3477 Water, Land, and Agriculture on H.C.R. No. 54

The purpose of this measure is to request the Hawaii Community Development Authority (HCDA) to work with the Department of Land and Natural Resources (DLNR), other cooperating partners, and the local community to protect and enhance the Kaneohe meadowland (He'eia wetlands), as part of the He'eia ahupua'a.

The Chairperson of the Board of Land and Natural Resources and the HCDA submitted comments on the measure.

Your Committee believes that transferring the management authority for the He'eia wetlands to the DLNR is appropriate in light of the established role and expertise of the DLNR in managing and protecting the State's conservation lands.

Your Committee heard the concerns of the HCDA and incorporated its suggested changes by amending the measure as follows:

- (1) Changing the title of the measure, to describe more accurately the amended purpose of the measure, to read:

REQUESTING THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY TO TRANSFER OWNERSHIP OF THE KANEOHE MEADOWLAND (HE'EIA WETLANDS) TO THE STATE OF HAWAII AS PUBLIC LANDS TO BE ADMINISTERED BY THE DEPARTMENT OF LAND AND NATURAL RESOURCES FOR THE PROTECTION AND ENHANCEMENT OF THE NATURAL AND CULTURAL RESOURCES OF THE WETLANDS;

- (2) Clarifying that the lands affected by the measure are only a portion of the Kaneohe meadowland and that they are owned rather than controlled by the HCDA;
- (3) Clarifying that the He'eia wetlands lie outside of the HCDA's redevelopment jurisdiction; and
- (4) Changing the request to the HCDA by seeking a transfer of the subject lands to the State for management and protection by the DLNR, and separately requesting the DLNR to work with cooperating partners and the local community to protect and enhance the He'eia wetlands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 54, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 54, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3478 Water, Land, and Agriculture on H.C.R. No. 73

The purpose of this measure is to:

- (1) Request Del Monte to continue to operate Poamoho Camp until December 2005, or offer financial assistance to aid current residents in their search for affordable housing; and
- (2) Request the Galbraith Estate to consider leasing the ninety acre Poamoho Camp parcel to the Poamoho Camp Residents Association or an entity of the Association's choice until December 2005 to allow residents time to find affordable housing.

Testimony in support of the measure was received from the Hawaii Government Employees Association.

Your Committee finds that the expiration of Del Monte's lease on Poamoho lands in Wahiawa, including Poamoho Camp, will impact three hundred employees and their families as well as numerous retirees who have lived at Poamoho Camp for generations.

The residents of Poamoho Camp were notified of Del Monte's decision not to renew its lease in February 2004 and given notice to vacate Poamoho Camp by June 30, 2004.

Your Committee also finds that in light of the short notice afforded to the residents of Poamoho Camp and the difficulty in securing affordable housing as well as new employment, it is necessary to explore all viable options which will provide adequate short-term housing for the residents of Poamoho Camp as they explore various housing options.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 73, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 3479 (Joint) Education and Health on H.C.R. No. 63

The purpose of this measure is to continue the joint Senate-House investigative committee to investigate the State's efforts to comply with the Felix Consent Decree.

Your Committees received testimony in support of the measure from the Hawaii State Teachers Association and an individual.

Your Committees find that the joint Senate-House investigative committee is a valuable means of monitoring the State's effort to comply with the Felix Consent Decree and provides a degree of responsiveness to the stakeholders that may be missing from other entities of state government. This is particularly true in terms of monitoring the billing practices and service delivery of service providers. These efforts should continue, so as to ensure the ongoing delivery of high-quality, need-appropriate, cost-effective special education services by the public education system of the State of Hawaii.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 63, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Kawamoto, Kokubun, Sakamoto, Tsutsui).

SCRep. 3480 (Joint) Education and Health on H.C.R. No. 84

The purpose of this measure is to urge the University of Hawaii to speedily rebuild a School of Global and Public Health.

Your Committees find that rebuilding the School of Global and Public Health will help avert a workforce crisis, bring in new financial resources to Hawaii, and protect the health and security of the people of Hawaii. A School of Global and Public Health is of critical importance as a service to our State as well as an important way to meet the University's research mission.

Your Committees further find that the closure of the School of Public Health has severely limited the ability of the University to meet the State's demands for public health professionals. The State now faces a shortage of these professionals at a time when their role in keeping us healthy is expanding. This situation affects our communities, the "ice epidemic", Hawaii's growing elderly population, bioterrorism, and health disparities.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 84, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Kokubun, Sakamoto, Tsutsui).

SCRep. 3481 (Joint) Education and Health on H.C.R. No. 158

The purpose of this measure is to encourage the establishment of a College of Pharmacy at the University of Hawaii at Hilo.

Your Committees received testimony in support of the measure from the Hilo Medical Center and Hawaii Health Systems Corporation.

Your Committees find that there is a shortage of pharmacists throughout the nation, including Hawaii. This has a negative impact on the quality of health care. A college of pharmacy at the University of Hawaii at Hilo could not only help address this shortage but also have a positive economic impact on the State as well.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 158, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Kokubun, Sakamoto, Tsutsui).

SCRep. 3482 Energy and Environment on H.C.R. No. 49

The purpose of this measure is to request the Legislative Reference Bureau to conduct a policy review to examine the Precautionary Principle policy framework as a guiding principle in conducting the State's affairs.

The Department of Health and the Pineapple Growers Association of Hawaii submitted testimony in support of this measure. Testimony in opposition to this measure was submitted by the Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Pioneer Hi-Bred International, Inc., and Hawaiian Alliance for Responsible Technology & Science. The Legislative Reference Bureau and Enterprise Honolulu submitted comments on this measure.

Your Committee finds that an overall, integrated approach to environmental responsibility is required for governmental policy and functions. The Precautionary Principle is a policy framework widely used in western and northern European countries for developing laws that protect our health and environment. The Precautionary Principle should be considered in executing the policies and affairs of the State.

Your Committee has amended this measure by narrowing the scope of the Legislative Reference Bureau's study to a review of the San Francisco Precautionary Principle Ordinance. San Francisco is the first city in the nation to adopt the Principle and it should prove beneficial to begin with a review of San Francisco's approach and the components involved in its Ordinance.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 49, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 49, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kanno, Hemmings).

SCRep. 3483 (Joint) Energy and Environment and Water, Land, and Agriculture on H.C.R. No. 118

The purpose of this measure is to request the Legislative Reference Bureau (LRB) to:

- (1) Conduct a feasibility study for establishing a suitable water quality monitoring program that emphasizes environmental protection;
- (2) Consult with appropriate local and state agencies, scientists and experts, and environmental organizations which in turn are requested to cooperate with and assist the LRB to the extent of their ability; and
- (3) Submit a report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the 2005 Regular Session.

The LRB submitted comments on the measure.

Your Committees believe that a water quality monitoring program that stresses environmental protection will promote sustainable commercial and recreational use of the State's aquatic resources.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 118, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Aduja, Kanno, Hemmings, Whalen).

SCRep. 3484 (Joint) Health, Human Services and Education on H.C.R. No. 133

The purpose of this measure is to urge the Governor, Department of Health, Department of Human Services, and the University of Hawaii to recognize the importance of the contributions of family caregivers and to support them in serving the State's long-term care needs.

Testimony in support of this measure was received from the Department of Human Services and the Executive Office on Aging.

Your Committees find that family caregivers provide eighty percent of home care services and over ninety percent of all long-term care services in Hawaii, allowing individuals to remain in their homes for as long as possible. However, the value and importance of their contributions are often overlooked. This concurrent resolution will help recognize and support these often-undervalued caregivers.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 133, and recommend its adoption.

Signed by the Chairs and Vice Chair on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Fukunaga, Ige, Kokubun, Sakamoto, Tsutsui).

SCRep. 3485 (Joint) Health, Human Services and Transportation, Military Affairs, and Government Operations on H.C.R. No. 153

The purpose of this measure is to promote the establishment in Hawaii of a Center for the Advancement of Global Health, Welfare, Education, and Peace by and for Children, Youth, and Families.

Testimony in support of this measure was received from Representative Helene Hale, the United Nations Association, Pacific and Asian Affairs Council, Reford-McCandless International, Hawaii Intergenerational Network, Lions Club of Honolulu, a graduate student, and an individual.

The Center for The Advancement of Global Health, Welfare, Education, and Peace by and for Children, Youth, and Families is an outgrowth of the World Youth Congress in 2003 in Hawaii.

Your Committees find that the State deals with a multitude of issues relating to youth health, welfare, and education as they concern our large population of immigrants. Establishing a Center for the Advancement of Global Health, Welfare, Education, and Peace by and for Children, Youth, and Families would be a model in education and leadership experience, and will serve as a catalyst to understanding world events through the widespread involvement of youth.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 153, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 7 (Fukunaga, Ige, Kanno, Kokubun, Menor, Tsutsui, Whalen).

SCRep. 3486 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on H.C.R. No. 202

The purpose of this measure is to urge the members of Hawaii's congressional delegation to introduce federal legislation to provide additional resources to expand visa processing capacity in the Consular Section of the United States Embassy in Seoul in the Republic of Korea, and to include the Republic of Korea in the Visa Waiver Program.

Testimony in support of the measure was submitted by the Department of Business, Economic Development and Tourism; Mayor of the County of Hawaii; Korean Visitors to Hawaii Project Committee; Korean American Coalition, Hawaii Chapter; and Korean Air Lines in Hawaii.

Your Committees find that the United States has a special relationship with Korea that can be traced back more than one hundred years. The Republic of Korea is a trusted ally and major player in the world economy that rose from third-world poverty after the Korean War to an economy that at present ranks thirteenth in the world, and is the sixth-largest trading partner of the United States.

Your Committees further find that the Republic of Korea lacks parity with other Asian allies in its relations with the United States as they pertain to visa requirements. Your Committees believe this measure will initiate the process to address that inequity and recognize the roles and contributions of Koreans and Korean Americans in our nation over this past century.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 202, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Ihara, Kanno, Whalen).

SCRep. 3487 Judiciary and Hawaiian Affairs on H.C.R. No. 261

The purpose of this measure is to request the Legislative Reference Bureau (LRB) to review, analyze, and recommend changes to statutes, rules, and county ordinances that criminalize non-serious offenses.

Testimony in support of this measure was submitted by the Judiciary. Testimony in opposition to this measure was submitted by the Department of Planning and Permitting of the City and County of Honolulu. Comments were submitted by the LRB.

Your Committee finds that the Legislature began decriminalizing certain non-serious traffic offenses to violations, eliminating most traffic arraignments, disposing of uncontested violations by mail, and providing informal hearings where violations or proposed penalties are questioned. Overall, the process was streamlined and the handling of traffic cases achieved a more expeditious system of judicial processing for traffic infractions.

Your Committee further finds that some offenses established by statutes other than the Hawaii Penal Code, including those established by rule or county ordinances, are:

- (1) Petty misdemeanors or misdemeanors that must be processed by the courts, even if the offenses have penalties that are only fines; or
- (2) Not of a serious nature but have penalties that include imprisonment or fines exceeding \$1,000, and therefore must be processed by the courts as criminal offenses with the right to court-appointed counsel or jury trial, or both.

Your Committee finds that this inconsistent treatment of non-serious criminal offenses and the decriminalization of traffic infractions cause confusion for the public, who sometimes are arrested for failing to appear for citations even when they admitted to the offense and paid a fine by mail. This measure recommends that the LRB should evaluate all of the statutes, rules, and county ordinances that criminalize non-serious offenses and recommend changes to the penalties that should be more consistent with the decriminalized traffic infractions.

However, your Committee noted comments from the LRB that each county should be urged to review, analyze, and change its own county ordinances and rules that criminalize non-serious offenses.

Based on the LRB's comments, your Committee amended this measure by:

- (1) Requesting the LRB to review, analyze, and recommend changes to only statutes and state rules;
- (2) Urging each county to review, analyze, and make changes to county ordinances and rules that criminalize non-serious offenses;
- (3) Removing county agencies that adopt rules and county councils as groups asked to cooperate with the LRB's study;
- (4) Removing county councils as one of the groups that should receive a certified copy of the concurrent resolution; and
- (5) Amending the title to reflect the changes made in paragraphs (1) and (2).

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 261, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 261, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Hanabusa).

SCRep. 3488 (Joint) Judiciary and Hawaiian Affairs and Human Services on H.C.R. No. 265

The purpose of this measure is to request the Department of Public Safety (DPS) and the Office of Youth Services to develop a plan for creating and implementing gender responsive environments at the Women's Community Correctional Center and at the Hawaii Youth Correctional Facility.

Testimony in support of this measure was submitted by the Department of Human Services, Department of Public Safety, Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, the Drug Policy Action Group, Hawai'i Island Corrections Advisory Committee, Hawaii Substance Abuse Coalition, Hawaii Youth Services Network, Hawaii Women Lawyers, Honolulu County Committee on the Status of Women, Kokua Council, Na Keiki Law Center, Out of Prison Services, the Salvation Army, T.J. Mahoney & Associates, A Woman's Voice International, and six individuals.

Your Committees find that the correctional facilities that hold female offenders are primarily equipped to handle medium-security violent males. However, research has shown that the majority of female offenders are nonviolent and could more appropriately serve their sentences in community programs. Your Committees further find that incarcerating females in environments primarily designed for males, without appropriate programming to address their needs, has resulted in higher recidivism though parole violations and minor offenses.

Your Committees believe that this measure begins to address some of these problems by developing a plan for creating a gender responsive environment at the Women's Community Correctional Center and the Hawaii Youth Correctional Facility.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 265, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Ige).

SCRep. 3489 Judiciary and Hawaiian Affairs on H.C.R. No. 267

The purpose of this measure is to request the Attorney General to report to the Legislature on progress made by the Attorney General and the Prosecuting Attorneys from the counties of the State of Hawaii in using Chapter 846E, Hawaii Revised Statutes (HRS), to restore public access to sex offender registration information.

Your Committee finds that in 1996, the federal government enacted "Megan's Law," requiring states to collect and release relevant information necessary to protect the public from sexual offenders. In 1997, Hawaii passed its own version of "Megan's Law," chapter 846E, HRS, entitled "Sex Offender Registration and Notification," which requires individuals convicted of certain offenses against children and certain sexual offenses to register with a sex-offender registry by providing information relating to their identity, residence, employment, education, medical treatment, and vehicle.

However, in 2001, the Hawaii State Supreme Court in *State v. Bani*, 97 Haw. 285, struck down the public-notification component of Hawaii's Megan's Law as a violation of the defendant's due process rights because the "State must allow a registered sex offender a

meaningful opportunity to argue that he or she does not represent a threat to the community and that public notification is not necessary, or that he or she represents only a limited threat such that limited public notification is appropriate.” Since the Bani decision, Hawaii’s internet public sex-offender registry was shut down.

Although attempts were made to revise chapter 846E, Hawaii’s Megan’s Law remains dormant, and there appears to be no evidence that a single hearing has been completed under the current statute. Your Committee believes that the people of the State of Hawaii deserve to have immediate efforts made to revive the internet sex-offender registry using the legal procedure currently available under Hawaii’s Megan’s Law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 267, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Hanabusa).

SCRep. 3490 Health on H.C.R. No. 156

The purpose of this measure is to request the Department of Health to convene a working group to evaluate and recommend possible statutory and other changes to streamline and expedite mental health treatment to persons committed to state-operated or –contracted facilities.

Your Committee finds that administering involuntary medication is a very controversial issue, but warrants consideration as it would help protect the public and make sure that those who need treatment receive it.

Involuntary treatment is appropriate and necessary for a subset of patients who are often younger, stronger, and more violent than other patients are. Some mental illnesses increase the risk of violence, especially among patients with neurological impairments and psychosis. Currently, patients committed under Chapter 704, Hawaii Revised Statutes, arrive at the Hawaii State Hospital without orders to administer medications that would help them. As a result, the Director of Health must seek judicial authority for involuntary medication, which may be delayed for various reasons, resulting in increased risks to the patient and hospital staff. This measure would help improve treatment and make the hospital safer for everyone.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 156, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Tsutsui).

SCRep. 3491 (Joint) Science, Arts, and Technology and Water, Land, and Agriculture on H.C.R. No. 165

The purpose of this measure is to request the Department of Land and Natural Resources to provide a comprehensive explanation regarding its process for selecting and submitting candidates to the Governor for appointment to the Island Burial Councils.

This measure also requests the Auditor to investigate the selection process utilized by the Department of Land and Natural Resources in order to determine if there were deviations from the statutory as well as administrative requirements regarding the selection of candidates for the Island Burial Councils.

Testimony in support of the measure was received from the Native Hawaiian Legal Corporation and three individuals. Testifying in opposition to the measure was the Office of the Governor and the Department of Land and Natural Resources.

Your Committees find that the process utilized by the Department of Land and Natural Resources to select and submit the names of individuals to the Governor for appointment to serve on Island Burial Councils across the State has been marked by delays and questionable conduct. For example, the Department of Land and Natural Resources failed to submit the name of at least one qualified individual recommended by the Office of Hawaiian Affairs to the Governor for appointment to the Island Burial Councils.

Your Committees find that this incident is reflective of a pattern of questionable conduct on the part of the Department of Land and Natural Resources that has resulted in a significant increase in the number of vacancies on Island Burial Councils across the State. This increase in the number of vacancies ultimately delays and frustrates the work of the Island Burial Councils, which involves making crucial determinations regarding the preservation or relocation of previously identified Native Hawaiian burial sites.

Your Committees have amended this measure by requesting that the Auditor obtain the consent or approval of candidates eligible for appointment to the Island Burial Councils prior to disclosing any identifying information of a particular candidate as part of its investigation into the Department of Land and Natural Resources selection process.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 165, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 165, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 3 (Aduja, Hemmings, Whalen).

SCRep. 3492 (Joint) Science, Arts, and Technology and Water, Land, and Agriculture on H.C.R. No. 181

The purpose of this measure is to request the State Historic Preservation Division (Division) of the Department of Land and Natural Resources to study the feasibility of requiring construction projects to have cultural consultants and monitors on site.

Testimony in support of the measure was received from one individual. The Department of Land and Natural Resources testified in opposition to the measure.

Your Committees find that this measure recognizes the important obligation placed upon the State in regards to preservation and protection of Native Hawaiian cultural practices. The discovery of ancestral bones at construction sites is a common occurrence in Hawaii that necessitates the need for cultural monitors knowledgeable in the proper protocols in regard to the proper handling of Native Hawaiian ancestral bones. Your Committees also expect the Division to include the Island Burial Councils as active participants in this feasibility study, given the statutory mission of these councils.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 181, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, none. Excused, 3 (Aduja, Hemmings, Whalen).

SCRep. 3493 Science, Arts, and Technology on H.C.R. No. 238

The purpose of this measure is to request the Governor to implement an online “fixIt” system on the state website.

This measure requests the Governor to improve the state website by adding a feature that will allow constituents to submit a problem report online. Your Committee finds that such a feature will compliment the “fixIt” system currently available on the City and County of Honolulu website.

Your Committee further finds that such a feature would allow citizens to express their concerns, obtain answers to their questions or solutions to their problems, or be referred to the appropriate legislator, committee, or state or county department.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 238, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Aduja, Hemmings).

SCRep. 3494 (Joint) Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations on H.C.R. No. 83

The purpose of this measure is to request a status report on the current use of open source software in state government and the adoption of a state policy supporting use of open source software in state government operations.

Comments on this measure were received from Microsoft Corporation.

Your Committees find that state government agencies are among the largest consumers of commercial computer software within the State. However, some of the applications of commercial computer software may not necessarily be compatible with government functions, operations, and needs, and the software may also contain programming glitches. Open source software provides the opportunity for state agencies to procure, at little or no cost, software programs or utilities that may be modified by the agency to more closely meet the agency’s needs.

Your Committees further find that with the growth of the Internet, there has been a rapid expansion in the sharing of information technology to the point where the philosophy of open source software is being promoted by the nonprofit Open Source Initiative.

Your Committees have amended this measure in the first resolved paragraph by requesting the Department of Accounting and General Services to adopt a state policy on the use of open source software applications within government agencies, rather than “supporting” such software applications.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 83, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 83, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Baker, Kanno, Hemmings, Whalen).

SCRep. 3495 Tourism on Gov. Msg. Nos. 163, 164 and 409

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY

G.M. No. 163 VERNON F.L. CHAR, for a term to expire 06-30-06;

G.M. No. 164 JOHN J. TONER, for a term to expire 06-30-06; and

G.M. No. 409 KYOKO Y. KIMURA, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of VERNON F.L. CHAR was received from the Department of Business, Economic Development and Tourism, Hawaii Tourism Authority, City Bank, and fifteen individuals. Mr. Char has practiced law in Hawaii for forty-five years, including the representation of an airline, several hotels, tour companies, and restaurants. A graduate of Harvard Law School, he has served as President of the Hawaii State Bar Association and as a board member of the American Bar Association. Locally, he has served as a state Deputy Attorney General, Chair of the State Ethics Commission, and Chair of the Hawaii Bicentennial Commission of the U.S. Constitution.

Testimony in support of JOHN J. TONER was received from the Department of Business, Economic Development and Tourism, Hawaii Tourism Authority, Hawai'i Hotel and Lodging Association, and twenty-seven individuals. With thirty-two years of experience in the tourism industry, Mr. Toner currently serves as the Executive Vice President of Ko Olina Resort. He attended the Xavier University School of Marketing, followed by two years in the United States Army. Mr. Toner is active in various community and professional organizations.

Testimony in support of KYOKO Y. KIMURA was received from the Department of Business, Economic Development and Tourism, Hawaii Tourism Authority, Hawaii Employers Council, Hawai'i Hotel and Lodging Association, Maui Hotel Association, and nine individuals. Ms. Kimura is the President and General Manager of Diamond Resort Hawaii where she is responsible for its overall management including sales and marketing, human resource administration, financial administration, and service quality control. Her educational background includes studying at Cornell University, Kobe Jogakuin University, and University of British Columbia. She is involved with numerous community organizations such as the Japanese Cultural Center of Hawaii, Hawaii Employers Council, Maui Arts and Cultural Center, and Hawaii Hotel and Lodging Association.

Your Committee members diligently questioned the nominees, each of whom currently serve on the Board of Directors as interim appointments, regarding their vision and priorities for the Hawaii Tourism Authority. The nominees demonstrated a commitment to proactively protect the interest of the State and improve the performance of the Hawaii Tourism Authority. Your Committee believes that the nominees adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

SCRep. 3496 Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 448

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL DEFENSE ADVISORY COUNCIL

G.M. No. 448 MYRON N. DOBASHI (RET), for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of MYRON N. DOBASHI (RET) was received from the State Department of Defense, Kauai Civil Defense Agency, Hawaii State Teachers Association, and two individuals. Mr. Dobashi is Program Manager for High Technology Solutions, Inc., in Lihue, in which he manages support to the Maritime Directed Energy Test Center. The program is a new workforce development component to inspire Kauai's students to pursue careers in science and technology. From May 1999 through September 2003 he served as Assistant Adjutant General, Air and Commander, Hawaii Air National Guard. Mr. Dobashi had more than thirty-three years experience in the Hawaii Air National Guard in numerous key positions, including command at all levels. He previously served in the United States Air Force as a weapons controller during the Vietnam War, when he was stationed in South East Asia. Mr. Dobashi received a Bachelor's Degree from Central Washington University and was commissioned through the Air Force ROTC program. He subsequently received an Associate Degree in Accounting and an Associate Degree in Police Science from Kauai Community College. The nominee also is the recipient of many military citations and medals, and belongs to several military associations.

Your Committee finds that the nominee's background and experience will enable him to be an asset to the council.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 3497 Transportation, Military Affairs, and Government Operations on H.C.R. No. 250

The purpose of this measure is to urge the President of the United States and the United States Congress to support passage of H.R. 677 to benefit and recognize Filipino World War II veterans.

Testimony in support of this measure was received from the Office of Veterans Services, WWII Fil-Am Veterans, and five individuals.

This measure requests the President of the United States and the U.S. Congress to recognize the active service of Filipino veterans who served in the organized military forces of the Government of the Commonwealth of the Philippines or as Filipino scouts during World War II. This measure also requests that qualified Filipino Veterans receive health benefits. Your Committee finds that Filipino veterans fought honorably for the United States in World War II and deserve this recognition for their loyalty and valor.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 250, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 3498 Transportation, Military Affairs, and Government Operations on H.C.R. No. 36

The purpose of this measure is to authorize and request the Governor to establish a sister-state relationship between Hawaii and the State of Rabat-Salé-Zemmour-Zaër of the Kingdom of Morocco.

Testimony in support of this measure was received from the Department of Business, Economic Development and Tourism, Representative Helene Hale, United Nations Association of the United States of America, Office of International Education at the University of Hawaii, Hawaii Intergenerational Network, Wisdom Factors International, Sister Cities International, Lions Club of Honolulu, Muslim Association of Hawaii, and six individuals.

Your Committee finds that one of the ways that the State has helped to strengthen Hawaii's economic ties to high-growth areas of the world, particularly Asia, is by establishing sister state/province relationships. Examples include Guangdong, China and Fukuoka, Hiroshima, and Okinawa in Japan. These relationships have resulted in a firm foundation upon which economic and business relationships can be established and expanded.

A sister-state relationship with the State of Rabat-Salé- Zemmour-Zaër of the Kingdom of Morocco, one of the most progressive and tolerant nations in the Islamic world, could provide great opportunities for Hawaii's specialized services in tourism development and related fields. Morocco is in the process of developing into a tourist destination in North America and Europe. Hawaii could assist Morocco by our tourism expertise in developing a tourism infrastructure in Morocco, to the mutual benefit of both parties.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 36, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 3499 Transportation, Military Affairs, and Government Operations on H.C.R. No. 171

The purpose of this measure is to request the Department of Transportation to determine the advisability and feasibility of transferring the responsibility for operating the vanpool program to the counties.

Testimony in support of this measure was received from the Department of Transportation.

Your Committee recognizes that the counties have requested more autonomy and control over operations in their counties that are viewed as uniquely local.

Your Committee finds that in the interest and spirit of home rule, and due to variations in population density, geography, and travel demands of each county, the local counties may be better suited to operate the vanpool program.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 171, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 3500 Transportation, Military Affairs, and Government Operations on H.C.R. No. 258

The purpose of this measure is to urge the United States Congress to enact into law S. 68 to extend full and equitable benefits to Filipino veterans of World War II and their surviving spouses.

Testimony in support of this measure was received from the Office of Veterans Services, WWII Fil-Am Veterans, and thirty-three individuals.

This measure requests the U.S. Congress to increase the rate of compensation benefits and make available full disability pensions for certain Filipino veterans of World War II, and to increase the rate of payment of dependency and indemnity compensation for their surviving spouses. Your Committee finds that Filipino veterans have been discriminated against by the Rescission Act of 1946, which denied them these benefits that their American counterparts continue to receive. Your Committee further finds that Filipino veterans fought honorably for the United States in World War II and deserve this recognition for their loyalty and valor.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 258, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

SCRep. 3501 (Joint) Education and Labor on H.C.R. No. 203

The purpose of this concurrent resolution is to request the Department of Education and the Department of Human Resources Development to study and implement parity between occupational therapists, physical therapists, and speech therapists within the Department of Education.

Your Committees received testimony in support of the measure from the state pediatric representative of the American Physical Therapy Association.

Your Committees find that in pediatric practice, occupational therapists, physical therapists, and speech language pathologists work closely together as part of an interdisciplinary team. Nationally and in Hawaii, there is a shortage of such workers. As a result, and due to the mandates of the Felix Consent Decree, many of these workers are recruited from the mainland under contract with outside companies. This situation causes an inequity between the salaries of contract workers and government-employed workers, which negatively impacts morale and retention. There are also discrepancies between classification and pay that negatively affect morale and retention. This concurrent resolution attempts to ameliorate that situation.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 203, and recommend its adoption.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 4 (Menor, Sakamoto, Taniguchi, Tsutsui).

SCRep. 3502 Commerce Consumer Protection and Housing on Gov. Msg. Nos. 439 and 440

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOXING COMMISSION OF HAWAII

G.M. No. 439 HERBERT B. MINN, for a term to expire 06-30-08; and

G.M. No. 440 HENRY SASAKI, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of HERBERT B. MINN was received from a Honolulu City Council Member and three individuals. Mr. Minn is a retired general insurance agent whose involvement in the sport of boxing spans over six decades. He has participated as a boxer, coach, manager, referee and judge. A graduate of McKinley High School, he also attended the University of Hawaii and served in the United States Army. Mr. Minn has served on various community and civic organizations.

Testimony in support of HENRY SASAKI was received from three State Representatives and two individuals. Mr. Sakaki is a graduate of Farrington High School and served in the United States Army. He was employed by the Navy Publication and Printing Service, Pacific Division for thirty-three years. Mr. Sakaki has been active in the amateur and professional sport of boxing in Hawaii for the past fifty years. In addition to coaching and training boxers, he has served in various leadership roles for the United States of America Amateur Boxing Federation, Inc.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 3503 Commerce Consumer Protection and Housing on Gov. Msg. Nos. 469 and 470

Recommending that the Senate advise and consent to the nominations of the following:

REAL ESTATE COMMISSION

G.M. No. 469 CAROL MAE A. BALL, for a term to expire 06-30-08; and

G.M. No. 470 MICHELLE SUNAHARA LOUDERMILK, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of CAROL MAE A. BALL from the Hawaii Association of Realtors, KCOM Corporation, and three individuals. Ms. Ball was born and raised in Maui and graduated from the University of Michigan with a Bachelor's degree. Ms. Ball has been a licensed real estate broker in Hawaii since 1978 and opened her own real estate firm on Maui in 1980. She is currently the President and Principal Broker of Carol Ball and Associates. Ms. Ball has also served as a licensed real estate preclicensing instructor for the State of Hawaii since 2000. Ms. Ball is a member of the Realtor's Association of Maui, the Hawaii Association of Realtors, and the National Association of Realtors. Additionally, Ms. Ball is a certified real estate broker manager, a certified residential specialist, and a graduate of the Realtor's Institute. Ms. Ball's extensive experience as a realtor and numerous professional credentials makes her well qualified to serve on the Real Estate Commission.

Your Committee received testimony in support of MICHELLE SUNAHARA LOUDERMILK from John Child and Company and twenty-nine individuals. Ms. Loudermilk was born and raised in Honolulu and graduated from the University of Oregon with Bachelor of Arts degrees in Journalism and Romance Languages. Ms. Loudermilk earned a Juris Doctor degree from the William S. Richardson School of Law and is currently an attorney with Cades Schutte specializing in commercial real estate transactions as well as banking and finance. Ms. Loudermilk's practice includes reviewing condominium documents for compliance with the law, the purchase and sale of commercial and residential real estate, commercial leasing, and loan workouts and restructuring. Ms. Loudermilk's legal experience and familiarity with the commercial and financial aspects of real estate related transactions makes her well qualified to serve on the Real Estate Commission.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 3504 Commerce Consumer Protection and Housing on Gov. Msg. Nos. 472 and 473

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF CERTIFICATION OF PUBLIC WATER SYSTEM OPERATORS

G.M. No. 472 STEPHEN C. GREEN, for a term to expire 06-30-08; and

G.M. No. 473 ANN T. ZANE, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of STEPHEN C. GREEN from the Department of Health. Mr. Green graduated from the University of Hawaii with a Bachelor of Science degree in Mechanical Engineering and is a licensed professional engineer in mechanical engineering. Mr. Green currently serves as the Chief Field Engineer for West Hawaii Utilities where he supervises twelve individuals and is responsible for the daily operations of the drinking water and wastewater systems for the Waikoloa Development near Kona. Mr. Green is also a member of various professional engineer organizations such as the National Society of Professional Engineers and the American Society of Mechanical Engineers. Mr. Green has served on the Board of Certification of Public Water Systems Operators since 2000 and possesses both the experience and familiarity with the various issues currently before this Board.

Your Committee received testimony in support of ANN T. ZANE from the Department of Health and one individual. Ms. Zane graduated from the University of California at Davis with a Bachelor of Science degree in Civil Engineering and earned a Master of Science degree in Environmental Engineering from Washington State University. Ms. Zane is a licensed professional engineer in Hawaii and has served as the Supervisor of the Compliance Section for the Department of Health's Safe Drinking Water Branch since 1991 where she is responsible for enforcing all laws relating to public water systems, including regulations that require all public water systems have certified operators. Additionally, Ms. Zane is a member of the American Water Works Association, Hawaii section. Ms.

Zane has served on the Board of Certification of Public Water System Operators since 2003 and therefore is extremely knowledgeable and familiar with the responsibilities and duties of this Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 3505 Health on Gov. Msg. Nos. 449, 450, 451, 452, 453, 454, 455, 456, 457 and 458

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

- G.M. No. 449 WILLIAM A. BURWELL, for a term to expire 06-30-08;
- G.M. No. 450 MARTHA GUINAN, for a term to expire 06-30-08;
- G.M. No. 451 PATRICIA L. HEU MD, MPH, for a term to expire 06-30-08;
- G.M. No. 452 MARY F. JOSSEM, for a term to expire 06-30-08;
- G.M. No. 453 ELROY K. M. MALO, for a term to expire 06-30-08;
- G.M. No. 454 EVAN A. R. MURAKAMI, for a term to expire 06-30-08;
- G.M. No. 455 SHERYL NELSON, for a term to expire 06-30-08;
- G.M. No. 456 MARK F. ROMOSER, for a term to expire 06-30-08;
- G.M. No. 457 BETSY R. WHITNEY, for a term to expire 06-30-08; and
- G.M. No. 458 MARK YASUO YABUI, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the State Council on Developmental Disabilities.

Your Committee received testimony in support of WILLIAM A. BURWELL from the State Council on Developmental Disabilities (Council). Mr. Burwell currently works as a custodian for Network Enterprises in Lihue, Kauai, and has been a member of the Council since July 1, 2000. He is a member of the Council's Community Supports and Public Awareness, Education, and Training Committees. Mr. Burwell is active in his community through his participation with the Arc of Kauai, Special Olympics, and the March of Dimes. He was formerly a member of a Statewide Steering Committee for a project funded by the Robert Wood Johnson Foundation to enable individuals with developmental disabilities to achieve choice and control in their lives.

Your Committee received testimony in support of MARTHA GUINAN from the Council. Ms. Guinan is a parent of a young man with special needs, and was first appointed to the Council on June 1, 2000. She is a member of the Council's Employment and Education Committee and her participation has provided the Committee with valuable insights regarding the transition of students with disabilities from school to community life. Ms. Guinan is also a member of the Poohala Family Support Council which has been involved with providing recommendations for a one stop center for individuals with disabilities and their families.

Your Committee received testimony in support of PATRICIA L. HEU, MD, MPH, from the Council and two individuals. Dr. Heu was appointed to the Council on June 1, 2000, as a representative of Title V of the Social Security Act, and is currently a member of the Council's Health and Homes Committee. Dr. Heu currently serves as the Chief of the Department of Health's Children with Special Health Needs Branch. Dr. Heu earned her medical degree from the John A. Burns School of Medicine and her Masters in Public Health from the University of Hawaii School of Public Health.

Your Committee received testimony in support of MARY F. JOSSEM from the Council. Ms. Jossem currently serves as the Executive Director of the Special Education Center of Hawaii (SECOH). Ms. Jossem's experience in working in the field of developmental disabilities includes serving on the Hawaii Home and Community Based Services Task Force. Ms. Jossem is also a recipient of the Weinberg Aim for Excellence Award for her outstanding achievement in nonprofit management and received her second Weinberg award for opening the SECOH Center specializing in support for people with Alzheimer's or dementia.

Your Committee received testimony in support of ELROY K.M. MALO from the Council. Mr. Malo currently serves as a program specialist for Pacific Resources for Education and Learning, and is also a self-employed storyteller for which he has received a lifetime award. He was first appointed to the Council on July 1, 2000, and is a member of the Council's Health and Homes Committee. Mr. Malo sits on the Kalaupapa Ohana Board, and is a former resident of Kalaupapa.

Your Committee received testimony in support of EVAN A.R. MURAKAMI from the Council and two individuals. Mr. Murakami currently serves as an Individual Mentor with the Case Management and Information Services Branch of the Department of Health. He is also the Co-Chair of the Governing Council for the Community Personal Assistance Services and Supports grant, which provides individuals with developmental disabilities employment and management training to enable them to hire and manage their own personal assistants and make informed choices about the services and supports they receive.

Your Committee received testimony in support of SHERYL NELSON from the Council. Ms. Nelson is currently a self-employed individual with a disability operating her own company called Open Access, where she educates and advocates on disability issues and in increasing access for individuals with disabilities. Through sheer determination and will, Ms. Nelson left the institution she lived in as a child, earned a bachelor degree from the University of Washington, and has become successful in her life and work. Ms. Nelson is active in her community through her participation as a current member of Prevent Child Abuse Hawaii, and as a past member of the State Independent Living Council.

Your Committee received testimony in support of MARK F. ROMOSER from the Council and an individual. Mr. Romoser currently serves as the Statewide Self-Advocacy Coordinator for the Hawaii Centers for Independent Living where he has been instrumental in providing training to individuals with developmental disabilities to become their own advocates and take control of their lives. Mr. Romoser was first appointed to the Council on July 1, 2000, and serves as Chair of the Public Awareness, Education, and Training Committee.

Your Committee received testimony in support of BETSY R. WHITNEY from the Council. Ms. Whitney currently owns and operates Dolphin Press, and is also an Alternate Format Translator. She was first appointed to the Council on July 1, 2000, and is a member on the Community Supports Committee. Ms. Whitney is also the current President of the Hawaii Centers for Independent Living and has extensive experience and community service with the National Braille Transcriber's Association, Big Island AIDS Project, Mayor's Committee on People with Disabilities, and Disability Rights Hawaii.

Your Committee received testimony in support of MARK YASUO YABUI from the Council and an individual. Mr. Yabui is currently a contract management specialist with the Maternal Child Health Branch, Family Health Services Division of the Department of Health. Mr. Yabui was first appointed to the Council on July 1, 2001, and serves as its Vice Chair. Mr. Yabui was a past president of the Hawaii Centers for Independent Living and a past member of the State Rehabilitation Council.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Tsutsui).

SCRep. 3506 Health on Gov. Msg. No. 459

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, HAWAII COUNTY SUBAREA

G.M. No. 459 GLENN E. SPARKS BSN, MHA, for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Health Planning Council, Hawaii County Subarea.

Testimony in support of the nominee was submitted by the State Health Planning and Development Agency and Kona Community Hospital.

GLENN E. SPARKS is an Assistant Administrator for Support and Ancillary Services at Kona Community Hospital. He is responsible for supervision of a ninety-four bed acute and long term care community hospital, ensures all safety and ADA compliance, and oversees the Emergency Management Committee. He received a Master in Health Administration degree from Baylor University and Bachelor of Science in Nursing degree from California State University. He is a member of the Salvation Army Advisory Board. His employment history and experience are in the fields of nursing and health care management.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Tsutsui).

SCRep. 3507 Health on Gov. Msg. No. 460

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, KAUA'I COUNTY SUBAREA

G.M. No. 460 ZACHARY J. OCTAVIO, for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Health Planning Council, Kauai County Subarea.

ZACHARY J. OCTAVIO is being reappointed to the council. He participates in such community organizations as the Kauai Pop Warner Association which is a paramedic support group and the Kauai Keiki Injury Prevention Coalition where he is a care seat technician. He received his education from Waimea High School, Kapiolani Community College, and QMC Paramedics. Currently he is employed by American Medical Response as a Paramedic. He has been a paramedic for twenty-eight years.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Tsutsui).

SCRep. 3508 Health on Gov. Msg. Nos. 461 and 462

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, MAUI COUNTY SUBAREA

G.M. No. 461 JULIE A. CLARK-MCGEE MN, RN, for a term to expire 06-30-08; and

G.M. No. 462 DENISE L. COHEN, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Health Planning Council, Maui County Subarea.

JULIE A. CLARK-MCGEE is a registered nurse and is a Nurse Educator at Maui Community College, University of Hawaii. Her education includes a Masters in Nursing from the University of Phoenix and a Bachelor of Arts in Nursing from Carroll College. She is a member of the American Nurses' Association and volunteers at the Adult DayCare Center for Maui Alzheimer's Association. Testimony in support of her nomination was submitted by an individual.

DENISE L. COHEN is a Nurse-Practitioner and Nursing Instructor at Maui Community College, University of Hawaii. She holds nursing degrees from the campuses of the University Hawaii system including a Master's of Science in Nursing and Bachelor's of Science in Nursing. Her community service includes involvement with Hawaii Nurses' Association, Maui Aids Foundation, Hawaii Coordinating Council on Deafness, and Advisory Board for Hawaii Center for the Deaf and Blind. She is also a CPR instructor. Testimony in support of her nomination was submitted by Dowling Company, Inc. and an individual.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Tsutsui).

SCRep. 3509 Health on Gov. Msg. No. 463

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, WEST OAHU SUBAREA

G.M. No. 463 DAVID J.W. CHANG, for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Health Planning Council, West Oahu Subarea.

Testimony in support of the nominee was submitted by Central Pacific Bank, Calvary Assembly of God, ABC Stores, and an individual.

DAVID J.W. CHANG has been an Assistant Vice President for Business Integration and Intelligence Services at Hawaii Medical Services Association since 2003. He previously worked for Pacific Business Services, Central Pacific Bank, and Bank of Hawaii. He is a graduate from Farrington High School and earned his degree in Electrical Engineering from the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Tsutsui).

SCRep. 3510 Health on Gov. Msg. No. 464

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, WINDWARD OAHU SUBAREA

G.M. No. 464 CHRISTOPHER P. SIBLEY, for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Health Planning Council, Windward Oahu Subarea.

CHRISTOPHER P. SIBLEY is a Business Relationship Manager for the Hawaii Medical Service Association (HMSA). He has a Bachelor of Science degree in Finance from Louisiana State University and a Masters in Business Administration from University of San Francisco. Mr. Sibley has worked in banking, technology, and real estate. He is involved with community activities including HMSA Community Events, Na Ala Hele Trail Restoration Projects, and Make-A-Wish Foundation.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Tsutsui).

SCRep. 3511 Commerce Consumer Protection and Housing on Gov. Msg. No. 168

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 168 MARK D. HUNSAKER, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of MARK D. HUNSAKER was received from Niwao & Roberts and four individuals. Mr. Hunsaker has been a certified public accountant for the past thirty-one years. Currently he is a shareholder and director of Bowen Hunsaker & Company, Certified Public Accountants, and Bowen Hunsaker Consulting, Inc., which specialize in income, gift and estate taxation, business valuations, business transaction analysis and structuring, and expert witness litigation services. In addition to his participation in various professional organizations, Mr. Hunsaker is a lecturer and instructor on the topics of valuation and taxation. He earned his BS in accounting and business administration from the University of Kansas, and attended graduate school at the University of Kentucky. He also holds an Associate of Arts degree from Kemper Military College.

Your Committee finds that the nominee possesses both the professional experience and knowledge necessary to serve on the Board of Public Accountancy. Your Committee further finds that the nominee is already serving on the Board of Public Accountancy on an interim basis and thus is familiar with the duties and responsibilities of the Board of Public Accountancy.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

SCRep. 3512 Commerce Consumer Protection and Housing on Gov. Msg. Nos. 441, 442, 443, 444, 446 and 447

Recommending that the Senate advise and consent to the nominations of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 441 SAM AIONA, for a term to expire 06-30-06;

G.M. No. 442 D. MELE CARROLL, for a term to expire 06-30-05;

G.M. No. 443 JENNY FUJITA, for a term to expire 06-30-04;

G.M. No. 444 JENNY FUJITA, for a term to expire 06-30-08;

G.M. No. 446 GERRY SILVA, for a term to expire 06-30-04; and

G.M. No. 447 GERRY SILVA, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of SAM AIONA from nine individuals. Testimony in opposition was received from one individual. Mr. Aiona is a graduate of St. Joseph High School in Hilo and holds a Bachelor of Arts degree in Political Science from the University of Hawaii. He served in the State House of Representatives for two years and is currently a loan officer at American Pacific Mortgage. His community involvement includes past president of the Kuhio Lions Club and founding president of the Waikiki Jaycees.

Your Committee received testimony in support of D. MELE CARROLL from Akaku: Maui County TV, two Maui County Council Members, and sixteen individuals. Testimony in opposition was received from one individual. Ms. Carroll is an executive assistant and chief legislative liaison for the Office of the Mayor in Maui County. She is a graduate of James Campbell High School in Ewa Beach and holds a Bachelor of Business Administration degree from the University of Hawaii-Hilo. Ms. Carroll is active in numerous community and cultural organizations.

Your Committee received testimony in support of JENNY FUJITA from six individuals. Testimony in opposition was received from one individual. Ms. Fujita is a partner with a full-service public relations firm based on Kauai. She has an extensive background in communications and public relations. Ms. Fujita holds a Bachelor degree in psychology from Bucknell University. She is active in various Kauai community and professional organizations, including the Public Relations Society of America.

Your Committee received testimony in support of GERRY SILVA from one individual. Testimony in opposition was received from one individual. Mr. Silva is the deputy director of the City and County of Honolulu's Customer Service Department and is responsible for oversight of the department's budget, personnel matters, union consultation, and coordination with other city agencies. He previously served as chief of staff of the Hawaii Army National Guard. Mr. Silva is a graduate of the Army War College and holds a Bachelor of Education degree from the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 3513 Water, Land, and Agriculture on Gov. Msg. Nos. 465 and 466

Recommending that the Senate advise and consent to the nominations of the following:

KAHO'OLAWE ISLAND RESERVE COMMISSION.

G.M. No. 465 CHARLES P. M. K. BURROWS EdD, for a term to expire 06-30-08; and

G.M. No. 466 ROBERT J. LU'UWAI, for a term to expire 06-30-08,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of CHARLES P. M. K. BURROWS EdD was received from the Kaho'olawe Island Reserve Commission and Protect Kaho'olawe Ohana. Dr. Charles Burrows is a former science teacher who retired from over thirty years of committed service to Kamehameha Schools. He served in the Coast Guard during the Korean War from 1951 to 1953 and earned his BA in Biology and Chemistry from Linfield College in 1958, MEd in Biology in 1962, and a MS in Earth Sciences in 1966 from Oregon State University. In 1973, Dr. Burrows received his Doctorate in Education majoring in Instructional Development and Research and Educational Change from Indiana University. He currently serves on the boards of the Kawai Nui Heritage Foundation, Sierra Club High School Hikers Program, Hawaii Science Teachers Association, Kailua Historic Society, and is the president of Ahahui Malama I ka Lokahi, a Hawaiian environmental organization. He is also a member of the Hawaii Audubon Society, Hawaii Nature Center, Nature Conservancy, Sierra Club and Conservation Council for Hawaii. He currently serves as a commissioner on the Kaho'olawe Island Reserve Commission representing a Native Hawaiian organization.

Testimony in support of ROBERT J. LU'UWAI was received from the Protect Kaho'olawe Ohana. Mr. Lu'uwai is life-long resident of Maui, a commercial fisherman, and a Native Hawaiian whose family lineage extends to Kaho'olawe. He currently is employed by the Federal Aviation Administration as an electronic technician (radar). He served in the United States Marines from 1952 to 1956. He attended San Jose State Junior College and San Jose State University. He graduated from Naval Electronic School in Treasure Island, San Francisco, and Marine Corp Ground Radio Repair School in San Diego. His community activities include Maalaea Boat and Fishing Club, State of Hawaii Fisheries Coordinating Council, Protect Kaho'olawe Ohana (PKO), Kihei-Maalaea Advisory Panel for the State of Hawaii Harbors Division, Western Pacific Regional Fishery Management Council, Main Hawaiian Pelagic Task Force, Pelagic Review Board, and Professional Airways Systems Specialist (AFL-CIO). He currently serves as a commissioner on the Kaho'olawe Island Reserve Commission representing the Protect Kaho'olawe Ohana.

Your Committee finds that the nominees would serve the best interests of the Kaho'olawe Island Reserve Commission by bringing a wealth of knowledge and experience on Native Hawaiian matters.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 3514 Water, Land, and Agriculture on Gov. Msg. No. 467

Recommending that the Senate advise and consent to the nomination of the following:

KANEHOE BAY REGIONAL COUNCIL

G.M. No. 467 JOHN M. MORGAN, for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of JOHN M. MORGAN was received from the Department of Land and Natural Resources. Mr. Morgan is the current chairperson of the Kaneohe Bay Regional Council, wherein he represents the Kaneohe Bay Commercial Operators Association as a voting member. As a result of his commitment to improve the conditions of Kaneohe Bay, the association has endorsed him to serve a second term on the regional council as their representative. Mr. Morgan has been the President of Kualoa Ranch Inc. since 1991. He also serves as Director of Bishop Museum.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 3515 Water, Land, and Agriculture on Gov. Msg. No. 476

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

G.M. No. 476 WARREN F. WEGESEND, JR., for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of WARREN F. WEGESEND, JR. was received from the Hawaii Community Development Authority, Hawaii Tourism Authority, Principal of Kapolei High School, a Honolulu City Council Member, the Villages of Kapolei Association, Hawaii Affordable Properties, Inc., and seven individuals. Mr. Wegesend is the General Manager for the Villages of Kapolei Association, where he manages a community consisting of 2,700 mixed single-family and multi-family homes. Prior to this, Mr. Wegesend worked for the Housing Finance and Development Corporation as a Real Property Asset Management Specialist II, the Hawaii Housing Authority as the Director of Housing Management, and Tropic Shores Realty, Ltd. as a Property Manager, Assistant Manager, and Real Estate Salesman. Mr. Wegesend has garnered an extensive amount of knowledge and training through his diverse education. He has attended Hawaii Pacific College, Kapiolani Community College, Honolulu Community College, Accelerated Computer Education, Spectrum Seminars, Inc., and John Stapleton School of Real Estate, all of which have enhanced his leadership, management, and computer skills. Mr. Wegesend also belongs to the Institute of Real Estate Management, National Association of Housing and Redevelopment Officials, and Hawaii Association of Realtors. He holds a Certificate of Certified Public Housing Manager.

Your Committee finds that the nominee would serve the best interests of the Hawai'i Community Development Authority by bringing a wealth of knowledge and experience on property management matters.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 3516 (Joint) Education and Transportation, Military Affairs, and Government Operations on H.C.R. No. 60

The purpose of this measure is to encourage Hawaii's Congressional Delegation to support the Development, Relief, and Education for Alien Minors ("Dream") Act.

Your Committees heard testimony in support of the measure from Na Loio Immigrant Rights and Public Interest Legal Center.

Your Committees find that the Dream Act would amend the Illegal Immigration Reform Act and Immigrant Responsibility Act of 1996 to permit states to determine state residency for higher education purposes and amend the Immigration and Nationality Act to cancel the removal, and to adjust the status of certain alien college-bound students who are long-term residents of the United States. These changes would positively impact the lives of thousands of undocumented children living in Hawaii and elsewhere within the United States by providing them with access to one of the greatest sources of upward mobility in this country, higher education.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 60, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Kanno, Menor, Tsutsui, Whalen).

SCRep. 3517 (Joint) Education and Transportation, Military Affairs, and Government Operations on H.C.R. No. 117

The purpose of this measure is to request Congress to support full funding for the Carl D. Perkins Vocational and Technical Education Act.

Your Committees heard testimony in support of the measure from the Department of Education, Coordinator of the Bridge to Hope Program for the University of Hawaii, and an individual.

Your Committees find that Carl D. Perkins funds provide strong support of the Department of Education's efforts to transform Career and Technical Education from a "hobby-type" curriculum to that of a rigorous, high-skills, career-focused curriculum for all students. Reducing or eliminating these funds would greatly impede the Department of Education's efforts to redesign Career and Technical Education to focus on economic development priorities in the context of school reform efforts.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 117, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Kanno, Menor, Tsutsui, Whalen).

SCRep. 3518 (Joint) Tourism and Economic Development on H.C.R. No. 161

The purpose of this measure is to request the Governor to recognize and declare Haleiwa Town as the Surfing Capital of the World.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that Haleiwa Town is the setting of the most challenging surf sites in the world, and is well deserving of this title.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 161, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Kanno, Kawamoto, Sakamoto, Taniguchi).

SCRep. 3519 (Joint/Majority) Judiciary and Hawaiian Affairs, Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on H.C.R. No. 199

The purpose of this measure is to request the Department of Hawaiian Home Lands, Department of Transportation, Department of Land and Natural Resources, and Office of Hawaiian Affairs to cease issuing any easements to the City and County of Honolulu (City) for access to Haiku Valley and to "Haiku Stairs" until all required permitting, necessary approvals, and conditional agreements are adhered to by the City.

Testimony in support of this measure was submitted by one hundred twenty-seven individuals. Testimony in opposition to this measure was submitted by the Department of Hawaiian Home Lands, Office of the Managing Director for the City and County of Honolulu, Kaneohe Neighborhood Board #30, Haiku Task Force, Friends of Haiku Stairs, Windward Ahupua'a Alliance, and one individual. Comments were submitted by the Department of Transportation and the Department of Land and Natural Resources.

Your Committees recognize that the issues involving Haiku Stairs are contentious. However, your Committees believe that this measure will encourage communication between stakeholder agencies and take steps toward amicably resolving the issues surrounding the opening of Haiku Stairs to the public.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 199, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, 1 (Hogue). Excused, 5 (Baker, Fukunaga, Ihara, Kanno, Menor).

SCRep. 3520 (Joint) Energy and Environment and Transportation, Military Affairs, and Government Operations on H.C.R. No. 149

The purpose of this measure is to help preserve the American buffalo by urging Hawaii's congressional delegation to help prevent the inhumane treatment of the Yellowstone buffalo and support the passage of the Yellowstone Buffalo Preservation Act, H.R. 3446.

Your Committees received testimony in support from The Fund for Animals and an individual.

Currently, the Yellowstone buffalo is facing threats of hazing, capture, and slaughter. Since the 1980's, nearly four thousand buffalo have been massacred due to the livestock industry's baseless allegations that the brucellosis disease can be transmitted from wild buffalo to cows that graze on the public lands adjacent to the Yellowstone National Park.

Your Committees find that the Yellowstone buffalo represents a symbol of American wildlife and has great significance to Native American cultures. Your Committees believe that it is imperative that we demonstrate our commitment to protect and preserve endangered animals by urging our congressional delegation to support the Yellowstone Buffalo Preservation Act, H.R. 3446.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 149, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 3521 Transportation, Military Affairs, and Government Operations on H.C.R. No. 179

The purpose of this measure is to request the Department of Transportation to study the feasibility of developing an access road on the southern end of Kawaihae Harbor to provide access to boating facilities and beachfronts in the area, and erecting a fence to separate the commercial side of Kawaihae Harbor from the recreational and public activities.

Testimony in support of this measure was received from the Department of Transportation (DOT).

Kawaihae Harbor is a port located approximately 28 miles north of Kona Airport and is one of two commercial deep-draft harbors currently serving the Island of Hawaii. Your Committee finds that Hawaii's geographical location requires that nearly all imported goods arrive via island ports, including Kawaihae Harbor, which plays a vital role in the transportation of goods from around the State to the Island of Hawaii.

Kawaihae Harbor serves commercial and recreational users. Your Committee further finds that access to Kawaihae Harbor has been restricted during weekdays because of increased harbor security, with the main entrance being monitored by a guard on Saturdays and Sundays and the second entrance being entirely closed to the general public. This restricted access has prevented the public from accessing the shoreline and public recreational facilities during the week.

According to testimony of the DOT, it plans to initiate efforts to update all commercial harbor master plans statewide. The first part of the effort will likely focus on Honolulu Harbor and Kawaihae Harbor. The entry of Hawaii Superferry would increase usage of those harbors and would necessitate additional cargo area operations. However, your Committee wishes to impress upon the DOT the importance of accommodating recreational users in the master plan, and most importantly, to provide for safe passage of commercial and recreational boats.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 179, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

SCRep. 3522 (Majority) Labor on H.C.R. No. 77

The purpose of this measure is to request the Department of Labor and Industrial Relations to enforce the provisions of Act 44, Session Laws of Hawaii (SLH) 2003, in accordance with the Legislature's intent.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO, the ILWU Local 142, and a private citizen.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR).

Your Committee finds that pursuant to Act 44, SLH 2003, an employer who provides sick leave benefits to its employees is required to allow its employees to utilize sick leave for family leave purposes. In effect, this law permits an employee to use a maximum of ten days of sick leave to care for an ill child, spouse, reciprocal beneficiary, or parent. As reflected in the Act, as well as committee reports on the measure, the intent of the Legislature was not to require an employer to provide paid leave in excess of that which an employee had accrued and was available or the amount of leave an employee is entitled to under the Temporary Disability Insurance Law (TDI). Unfortunately, your Committee further finds that DLIR's interpretation of the law has resulted in the denial of the use of sick leave for family leave purposes for many employees.

Although the law clearly states that TDI benefits are not to be used for family leave purposes, any amount of sick leave provided that is in excess of the minimum TDI benefits amount, however, would be available for such purposes. A discrepancy exists in that the statutory minimum amount of TDI benefits required may be less than the minimum amount required under an employer's self-insured plan that is accepted by DLIR. Once accepted by DLIR, no sick leave in excess of the minimum amount specified under the plan may be utilized for family leave purposes, although such is in excess of the statutory minimum amount of TDI benefits. Your Committee believes that this practice appears to be a strategic method for avoiding compliance with the law. Additionally, your Committee determines that the legislative intent behind Act 44, SLH 2003, is not being reflected in DLIR's enforcement of the law, and that DLIR should reexamine and realign its position in accordance with the law's actual intent.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 77, H.D. 2, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Sakamoto, Taniguchi).

SCRep. 3523 (Joint) Labor and Economic Development on H.C.R. No. 112

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to include in its annual report to the Legislature specific information on actions undertaken with regard to the identification and development of industry clusters, the development of labor supply and demand matrices, and the expansion of the educational pipeline.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism (DBEDT).

Your Committees find that the growth and diversification of Hawaii's economy is linked to the development of a highly-skilled and higher-paid workforce. Your Committees further find that pursuant to Act 148, Session Laws of Hawaii 2003, codified at section 201-16, Hawaii Revised Statutes, DBEDT is required to report annually to the Legislature on its efforts to increase the number of high-skilled jobs in targeted industry clusters. As a result of DBEDT's first annual report, the efforts of DBEDT, working in conjunction with the State Workforce Development Council, have revealed the need for the development of a comprehensive plan for maximizing workforce potential that requires the receipt and examination of specific information regarding actions to:

- (1) Target industry clusters to determine their workforce potential;
- (2) Develop labor supply and demand matrices to determine future labor demands; and
- (3) Expand the educational pipeline.

Your Committees determine that the continued concerted efforts of DBEDT and the Workforce Development Council will produce viable recommendations for addressing industry needs while also promoting business development.

As affirmed by the records of votes of the members of your Committees on Labor and Economic Development that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 112, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Ige, Sakamoto, Taniguchi).

SCRep. 3524 (Joint/Majority) Labor and Transportation, Military Affairs, and Government Operations on H.C.R. No. 195

The purpose of this measure is to express the Legislature's support of the Employee Free Choice Act.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO.

Your Committees find that for several decades workers in the United States have enjoyed the right to form and join unions. Membership in a union can provide a worker with numerous benefits, including increased wages, improved work environments, and freedom from discrimination in the workplace. Additionally, unions can prove beneficial to the communities by strengthening tax bases, promoting equal treatment, and enhancing civic participation. Unfortunately, as a practical matter, many workers are often barred from forming or joining a union. As a result, our nation's workers suffer from lowered wages, pay discrimination, and diminished standards for workplace safety.

The Employee Free Choice Act is a measure that has been introduced in Congress which will enable workers across the country to join unions and negotiate first contracts without employer harassment. Under the Employee Free Choice Act, workers are provided the option as to whether to form unions, employers or unions are permitted to refer first contract disputes to mediation or arbitration, and

meaningful penalties are established for violations of employees' rights when workers seek to form a union or during first contract negotiations. Your Committees recognize that overwhelming support for the Employee Free Choice Act exists both locally and nationally, with the Hawaii State AFL-CIO as well as over two hundred members of Congress all supporting its passage. Accordingly, your Committees believe that it is necessary for the Legislature to also express its support for the passage of the Employee Free Choice Act to protect and promote the rights of employees in Hawaii, as well as throughout the nation.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 195, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, 1 (Slom). Excused, 5 (Baker, Menor, Sakamoto, Taniguchi, Whalen).

SCRep. 3525 Labor on H.C.R. No. 251

The purpose of this measure is to declare May 7, 2004, Cleaners' Appreciation Day in the State of Hawaii.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the ILWU Local 142, and the Local 5, AFL-CIO.

Your Committee finds that individuals who provide cleaning, custodial, and maintenance services throughout the State are often the unsung heroes of the workplace. The provision of a clean and tidy workplace facilitates the efficient and effective operations of any business or organization. At the Legislature, the work of these individuals is especially vital in providing a welcoming environment for visitors that is not only clean, but also safe, while enabling our legislators to appropriately serve their constituents. Although they work tirelessly behind the scenes on a daily basis, the efforts of these employees are often taken for granted. Your Committee further finds that the cheerful dispositions of these hard-working employees is an inspiration to all service-oriented operations. Therefore, your Committee determines that in recognition of their dedicated service to providing a clean and healthy environment, May 7, 2004, should be declared as Cleaners' Appreciation Day in the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 251, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

SCRep. 3526 Energy and Environment on Gov. Msg. No. 410

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF CERTIFICATION OF OPERATING PERSONNEL IN WASTEWATER TREATMENT PLANTS

G.M. No. 410 WAYNE A. SALAS, for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of the nomination from the Director of Health and the Board of Certification of Operating Personnel in Wastewater Treatment Plants.

Wayne A. Salas is a treatment plant supervisor for the City and County of Honolulu with a Grade IV wastewater treatment plant operator certification and more than sixteen years experience in the wastewater field. He currently serves as the representative of the wastewater treatment operators of the City and County of Honolulu. Mr. Salas' appointment to the Board will facilitate its ability to carry out its duties to ensure that the operators of the State's wastewater treatment facilities are properly trained and certified. The nominee was first appointed to the Board on July 18, 2000.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 3527 Water, Land, and Agriculture on Gov. Msg. No. 468

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 468 RON AGOR, for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of RON AGOR was received from the Board of Land and Natural Resources, Young Men's Christian Association of Kauai, and one individual.

Mr. Agor is the owner of Agor Architecture in Lihue, Kauai. His company provides architectural and engineering services for commercial, resort, institutional and multi-family dwellings and custom residential projects. Mr. Agor started his career in 1968 working with various architectural firms in Honolulu and then moved to California where he continued his education and started his first business. Mr. Agor has been very active in community affairs, serving as Vice President of the YMCA of Kauai, Vice Chair of Kauai Senior Centers, member of County Building Code Committee, former lecturer at Kauai Community College, and former coach of girls basketball at Waimea High School. He is also Vice President and founder of the Kauai Association of Architects and a member of other architectural and construction organizations. Mr. Agor was educated at Honolulu Community College and Cal Poly San Luis Obispo.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 3528 Ways and Means on H.B. No. 2181

The purpose of this measure is to allow the Housing and Community Development Corporation of Hawaii to provide housing for active or retired military personnel.

Specifically, the bill allows the Corporation to issue bonds for any program whose primary purpose is to provide housing for active or retired United States military personnel, their families, and other authorized persons. The bill also caps the bond issuance at \$2,000,000,000.

Your Committee finds that the armed forces continue to play a critical role in protecting and securing our State against terrorism and other security threats. This bill recognizes their contributions to the State by ensuring that adequate housing will be provided for active and retired military personnel and their families.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2181, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 7 (Aduja, Kanno, Kawamoto, Sakamoto, Hemmings, Slom, Trimble).

SCRep. 3529 Education on Gov. Msg. Nos. 165 and 166

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 165 JAMES J.C. HAYNES, II, for a term to expire 06-30-06; and

G.M. No. 166 JANE B. TATIBOUET, for a term to expire 06-30-07,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of nominee JAMES J.C. HAYNES was submitted by the Board of Regents, Mayor of the County of Hawaii, Communications Pacific, Seabury Hall, and four individuals.

Mr. Haynes is currently serving as an interim Regent on the Board and has brought a broad understanding of the community and the forces which drive Hawaii and its economy. He is a graduate of Punahou School and the University of Hawaii, where he received his Bachelor of Arts in Accounting. Presently, he is the Vice President of Hawaii Petroleum. Mr. Haynes is involved in numerous community organizations, such as Nature Conservancy of Hawaii, Maui Arts & Cultural Center, Rotary Club of Maui, and Hawaii Professional Businessmen's Association.

Testimony in support of Nominee JANE B. TATIBOUET was submitted by the Board of Regents, Communications Pacific, and five individuals.

Ms. Tatibouet is also currently serving as an interim Regent on the Board. Carrying a tremendous amount of responsibility for the Board, she chairs the Standing Committees of Finance and Facilities, External Affairs, and the Task Groups on Housing and Facilities, and Board Affairs. Currently, she is the Executive Vice President of AST Holdings. Her community service includes participating in such organizations as American Legislative Exchange Council, Aloha United Way, American Red Cross, and Girl Scout Council of Hawaii. She has a Bachelor of Science in Human Ecology from Cornell University.

Your Committee finds that the Governor has submitted qualified nominees, who are likely to be effective members of the University of Hawaii Board of Regents. However, it should be noted that nominees for the Board of Regents, as well as nominees for other boards and commissions, hold responsible and critical positions that require careful and timely review, not only by the Legislature in their confirmation process but by the general public as well, to determine that the best and brightest candidate is confirmed for the position. As these nominees were currently serving as interim appointments, neither the Legislature nor the general public was able to review the nominees' qualifications prior to their service on the Board.

Although your Committee has found the nominees to be qualified, there may be future instances where interim appointees do not fulfill the criteria for which they are appointed. This raises some concerns, as the Legislature is charged with the obligation to review and certify whether the nominees are qualified. For this to happen, it is only fitting that the Governor submit all of the nominees early on in the legislative calendar. This would provide the Legislature ample scheduling time for the timely confirmation process and also afford the general public the opportunity to submit essential and pertinent testimony regarding the nominee's qualifications.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 3530 Education on Gov. Msg. No. 489

Recommending that the Senate advise and consent to the nomination of the following:

UNIVERSITY OF HAWAII BOARD OF REGENTS

G.M. No. 489 ANDRES ALBANO JR., for a term to expire 06-30-08,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Your Committee received testimony in support of the nominee from the City and County of Honolulu Honolulu Emergency Services Department, University of Hawaii Professional Assembly, C. Brewer and Company, Limited, First Hawaiian Bank, five individuals associated with CB Richard Ellis, Inc., Tusher Architectural Group, Richland Pacific of Hawaii, Hawaiian Island Homes Ltd., Walter P. Thompson Surveying & Mapping, Pacific FM, Architects Hawaii Limited, Construction Management & Development, Inc., Graphic Communications International Union, Pan Pacific Mortgage, LLC, C.M. Bidwell & Associates, Ltd., Creative Planners of Hawaii, the nominee, his daughter, and six individuals.

ANDRES ALBANO, JR. is a Vice President of CB Richard Ellis Hawaii, Inc. He is an experienced real estate professional with a Bachelors degree in Electrical Engineering and a Masters degree in Business Administration from the University of Hawaii at Manoa. Mr. Albano has been a Registered Professional Engineer and Real Estate Broker since 1969. He has served as a Past President of the Development Association of Hawaii, Hawaii Developers Council, and Honolulu chapter of the National Association of Professional Engineers. He is also a member of the Business Development and Marketing Division Advisory Council of the Department of Business, Economic Development, and Tourism and the Mayor's Task Force for Streamlining the Building Permit, Land Development Approvals, and Subdivision Approval Process.

Your Committee believes that Mr. Albano will bring a substantial amount of real estate experience to the University of Hawaii Board of Regents just as the system enters a phase of development that may include a substantial amount of new capital improvement initiatives, including the development of the University of Hawaii at West Oahu campus, and the possible redevelopment of the University of Hawaii at Manoa and the surrounding neighborhood of Moiliili. Due to Mr. Albano's extensive experience in his professional field, there is a distinct possibility that, in the course of these university development efforts, he will work with people he has worked with in the past in other capacities.

Although such a familiarity would not automatically create a conflict of interest, your Committee is encouraged to know that the Board of Regents is reviewing their policy on this matter. Individual members of the Board of Regents each bring unique professional areas of expertise to the board, which should be encouraged. Nevertheless, your Committee hopes they can all strike the right balance between maximizing the utility of this expertise for the work of the board and avoiding conflicts of interest.

The nominee has identified a desire to facilitate the transfer of credits from the community colleges to the universities, the development of additional dorms and other measures to create a more pervasive sense of a "college experience" among students, infrastructure improvements system-wide, and an enhanced public perception of the academic stature of the university.

Your Committee is also encouraged to learn of the nominee's commitment to the University of Hawaii as an engine of economic growth and workforce development in the State of Hawaii, especially in the areas of teacher and nurse education.

Your Committee finds that the Governor has submitted a qualified nominee, who is likely to be an effective member of the University of Hawaii Board of Regents. However, it should be noted that nominees for the Board of Regents, as well as nominees for other boards and commissions hold responsible and critical positions that require careful and timely review, not only by the Legislature in their confirmation process but by the general public as well, to determine that the best and brightest candidate is confirmed for the position. For this to happen, it behooves the Governor to submit all of her nominees early on in the legislative calendar. This would

provide the Legislature ample scheduling time for the timely confirmation process and also afford the general public the opportunity to submit essential and pertinent testimony regarding the nominee's qualifications.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 3531 Ways and Means on Gov. Msg. No. 295

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 2ND TAXATION DISTRICT (MAUI)

G.M. No. 295 CAROL ANN BURDICK, for a term to expire 06-30-06,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Ms. Burdick has proven herself to be a dedicated member of the Maui community by serving as a member or officer on the Kihei Community Association, the Board of Directors of the Montessori Hale O Keiki School, the Aha O Na Mokupuni O Maui, Me Lanai, the Keawala'i Congregational Church of Makena, and the Maui County Police Commission. Her experience in the community will serve her well as a member of the Board of Taxation Review, 2nd Taxation District.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 6 (Espero, Inouye, Kanno, Kawamoto, Sakamoto, Tsutsui).

SCRep. 3532 Ways and Means on Gov. Msg. No. 294

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 1ST TAXATION DISTRICT (OAHU)

G.M. No. 294 DICK ISOO OSHIMA, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

As a member, past Director, and President of the Hawaii Society of Certified Public Accountancy, Mr. Oshima will bring a wealth of knowledge and experience to the Board of Taxation Review, 1st Taxation District, and is deserving of this appointment to the Board of Taxation Review.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 6 (Espero, Inouye, Kanno, Kawamoto, Sakamoto, Tsutsui).

SCRep. 3533 Ways and Means on Gov. Msg. No. 296

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 2ND TAXATION DISTRICT (MAUI)

G.M. No. 296 WILLIAM FRANCIS DAILEY, for a term to expire 06-30-07,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Mr. Dailey is well qualified to perform the duties required of a member of the Board of Taxation Review and will serve the State of Hawaii well in this capacity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Espero, Inouye, Kanno, Kawamoto, Sakamoto, Tsutsui).

SCRep. 3534 Education on Gov. Msg. No. 309

Recommending that the Senate advise and consent to the nomination of the following:

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION (WICHE)

G.M. No. 309 ROBERTA M. RICHARDS, for a term to expire 06-30-05,

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of the nominee was submitted by the Western Interstate Commission for Higher Education and the Department of Education.

Nominee ROBERTA M. RICHARDS is an Educational Officer for the Department of Education. She holds degrees from the University of Hawaii, including a Bachelor of Arts and Masters of Education. Her community involvement includes serving on community boards such as the Manoa Athletic Program, Kalihi YMCA, Susannah Wesley Community Center, and Reid J.K. Richards Foundation. Your Committee finds that, as an educational officer whose professional background includes administration, counseling, and teaching in Hawaii's public schools, the nominee will provide valuable insights that will benefit WICHE and Hawaii's students.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 3535 (Joint) Human Services and Judiciary and Hawaiian Affairs on S.R. No. 40

The purpose of this measure is to request the Hawaii State Commission on the Status of Women to establish and utilize the self-sufficiency standard to replace the federal poverty level standard.

Testimony in support of the measure was submitted by the Hawaii State Commission on the Status of Women, the Children's Rights Council, and three individuals. The Judiciary submitted comments.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review.

The family court hears cases involving children, domestic relations, and domestic violence cases. Often, these cases involve difficult and emotional issues and in some instances, they also experience lengthy delays, which cause a backlog in the caseload. Consequently, the family court utilizes extended short-term interventions. Though no system is perfect, identifying areas of weakness and inefficiency and improving the family court system would serve to benefit those it is designed to protect. Furthermore, it is the intention of your Committees that qualified entities such as the National Council of Juvenile and Family Court Judges or the National Center for State Courts are to be consulted to utilize their expertise in this matter.

Your Committees adopted the amendments in the proposed S.D. 1, which made the following changes to the original resolution:

- (1) Replaced its contents with language to request the Senate Committee on Human Services (Committee) to convene interim hearings on the misuse of legal interventions available to the family court;
- (2) Made the appropriate title change;
- (3) Included language describing the barriers that the family court is subject to while at the same time attempting to provide a speedy resolution to the sensitive and emotional issues it presides over;
- (4) Requested the Committee to consider relevant laws and policies of other states; and
- (5) Requested the Committee to submit its findings and recommendations prior to the Regular Session of 2005.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 40, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 40, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 6 (Ige, Ihara, Inouye, Kawamoto, Tsutsui, Hogue).

SCRep. 3536 Tourism on Gov. Msg. Nos. 487 and 488

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY

G.M. No. 487 GAIL Y. HARAGUCHI, for a term to expire 06-30-08; and

G.M. No. 488 KAWAIKAPUOKALANI K. HEWETT, for a term to expire 06-30-06,

Your Committee has reviewed the personal histories, résumés, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the position of nomination.

Testimony in support of GAIL Y. HARAGUCHI was received from the Department of Business, Economic Development and Tourism, Coalition of Hawaii Engineering and Architectural Professionals and nine individuals. Testimony in opposition was received from the Hawaii Hotel and Lodging Association. Outrigger Hotels and Resorts submitted comments.

Ms. Haraguchi is vice president of corporate development for GKO and Associates, a multidisciplinary engineering firm, where she is responsible for marketing and market research. She is on the Board of Trustees and Co-Chair for BUILD-PAC and has served on numerous community and professional organizations. Ms. Haraguchi holds a Bachelor of Arts and Masters of Arts degree in Speech from the University of Hawaii at Manoa.

Testimony in support of KAWAIKAPUOKALANI K. HEWETT was received from the Department of Business, Economic Development and Tourism, Molokaievents.com, Inc., a State Representative, and twelve individuals.

Mr. Hewett has fourteen years of experience producing luau shows for the tourism industry. He is the Director of Hawaiian Culture and Events for the Royal Lahaina Resort in Lahaina, Maui where he is responsible for the choreography, staging, script writing and costume design for production of the hotel's luau show. He also serves as consultant on hotel events or matters that reflect upon the culture of Hawaii. As founder and president of the halau Kuhai Halau O Kawaikapuokalani Pa 'Olapa Kahiko, Inc., Mr. Hewett manages and directs the organization's operations. He is a graduate of James B. Castle High School in Kaneohe and holds a Bachelor of Arts degree in liberal studies from the University of Hawaii at Hilo.

Your Committee is concerned with the evolving make-up of the Board of Directors of the Hawaii Tourism Authority. Your Committee discussed the statutory requirement to maintain a balance of visitor industry and non-visitor industry representation on the Board of Directors of the Hawaii Tourism Authority. For example, while Ms. Haraguchi's extensive marketing background will serve as a valuable asset to the Hawaii Tourism Authority, she is replacing a member of the visitor industry. While your Committee has no control over the interim appointments of the Governor, your Committee will be vigilant to ensure that future nominees maintain the proper balance of knowledge and experience necessary for the success of the Hawaii Tourism Authority.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).